

DISTRICT OF COLUMBIA OFFICE OF THE INSPECTOR GENERAL

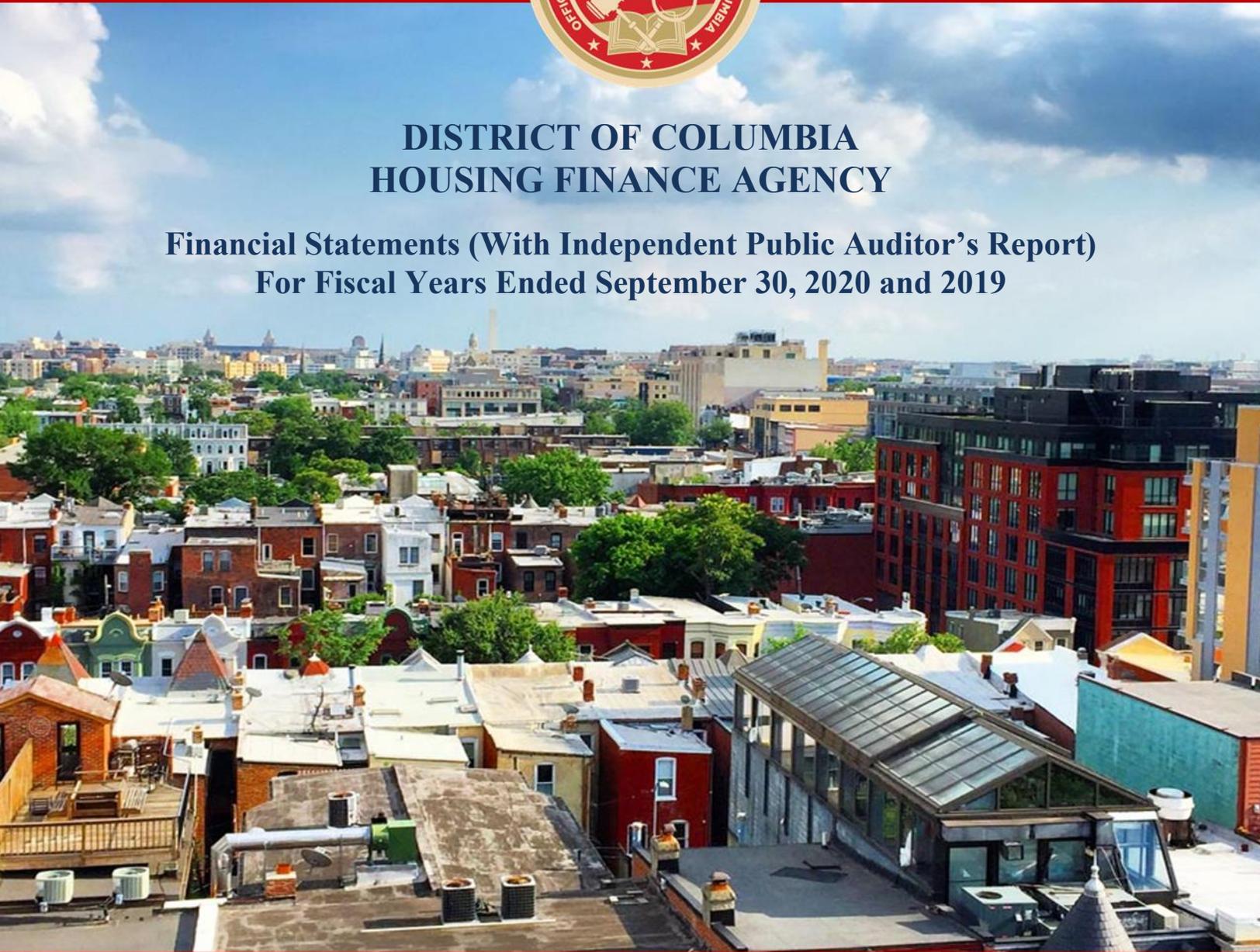
OIG Project No. 21-1-10HF

January 2021



DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY

**Financial Statements (With Independent Public Auditor's Report)
For Fiscal Years Ended September 30, 2020 and 2019**



Guiding Principles

*Workforce Engagement * Stakeholders Engagement * Process-oriented * Innovation
* Accountability * Professionalism * Objectivity and Independence * Communication * Collaboration
* Diversity * Measurement * Continuous Improvement*

Mission

Our mission is to independently audit, inspect, and investigate matters pertaining to the District of Columbia government in order to:

- prevent and detect corruption, mismanagement, waste, fraud, and abuse;
- promote economy, efficiency, effectiveness, and accountability;
- inform stakeholders about issues relating to District programs and operations; and
- recommend and track the implementation of corrective actions.

Vision

Our vision is to be a world-class Office of the Inspector General that is customer-focused and sets the standard for oversight excellence!

Core Values

Excellence * Integrity * Respect * Creativity * Ownership
* Transparency * Empowerment * Courage * Passion
* Leadership



GOVERNMENT OF THE DISTRICT OF COLUMBIA

Office of the Inspector General

Inspector General



January 29, 2021

The Honorable Muriel Bowser
Mayor of the District of Columbia
Mayor's Correspondence Unit
1350 Pennsylvania Avenue, N.W., Suite 316
Washington, D.C. 20004

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, N.W., Suite 504
Washington, D.C. 20004

Dear Mayor Bowser and Chairman Mendelson:

Enclosed is the final report entitled *Government of the District of Columbia Housing Finance Agency Financial Statements (With Independent Auditor's Report) for the Fiscal Years Ended September 30, 2020 and 2019* (OIG No. 21-1-10HF). CohnReznick, LLP (CohnReznick) conducted the audit and submitted this component report as part of our overall contract for the audit of the District of Columbia's general-purpose financial statements for fiscal year 2020.

On January 15, 2021, CohnReznick issued its opinion and concluded that the financial statements are presented fairly in all material respects, in accordance with accounting principles generally accepted in the United States of America. CohnReznick identified no material weaknesses in internal control over financial reporting.

If you have questions about this report, please contact me or Fekede Gindaba, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,


Daniel W. Lucas
Inspector General

DWL/ws

Enclosure

cc: See Distribution List

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Mr. Wayne McConnell, Managing Partner, McConnell & Jones LLP (via email)



**District of Columbia
Housing Finance Agency**

Financial Statements With
Independent Auditor's Report

Years Ended September 30, 2020 and 2019

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
 FINANCIAL STATEMENTS WITH
 INDEPENDENT AUDITOR’S REPORT
 YEARS ENDED SEPTEMBER 30, 2020 AND 2019**

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Independent Auditor's Report

To the Board of Directors
District of Columbia Housing Finance Agency

Report on the Financial Statements

We have audited the accompanying financial statements of the District of Columbia Housing Finance Agency (the "Agency"), a component unit of the Government of the District of Columbia, as of and for the years ended September 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency, as of September 30, 2020 and 2019, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 2 to the financial statements, in 2020, the Company adopted new accounting guidance for conduit debt obligations due to the adoption of Governmental Accounting Standards Board Statement Number 91, *Conduit Debt Obligations*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 6 through 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The supplemental information on pages 51 through 81 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2021, on our consideration of the District of Columbia Housing Finance Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District of Columbia Housing Finance Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District of Columbia Housing Finance Agency's internal control over financial reporting and compliance.



Baltimore, Maryland
January 15, 2021

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020 AND 2019 (UNAUDITED)

Our discussion and analysis of the District of Columbia Housing Finance Agency's financial performance provides an overview of the Agency's financial activities for the years ended September 30, 2020 and 2019. The financial statements, accompanying notes, and additional information should be read in conjunction with the following discussion.

Overview

The District of Columbia Housing Finance Agency (the "Agency") was established in 1979 to stimulate and expand homeownership and rental housing opportunities for low and moderate-income families in the District of Columbia (the "District"). The Agency primarily issues taxable and tax-exempt mortgage revenue bonds to lower the financing costs for single family homebuyers and multifamily developers acquiring, constructing, and rehabilitating rental housing in the District. In addition, the Agency administers the issuance of 4% low-income housing tax credits on behalf of the District of Columbia Department of Housing and Community Development ("DHCD"), to achieve its affordable housing preservation, rehabilitation, and development objectives. The Agency is self-sustaining and its budget, finances, procurement, and personnel system are independent of the District government.

The Agency accounts for its financial activities using program revenues and funds, through housing revenue bonds financing and mortgage enhancement and lending programs, for its single family and multifamily loan programs and its general operations. The Agency's General Fund is used to record the receipt of income not directly pledged for repayment of debt securities, to pay expenses related to the Agency's administrative functions and operations, including bond program administration, mortgage servicing, the United States Department of Housing and Urban Development ("HUD") Risk-Sharing insurance program and the McKinney Act loan program. The Agency's currently active bond programs include (i) single family mortgage revenue bonds, (ii) multifamily housing revenue bonds (conduit financing), (iii) multifamily development program bonds, for acquisition, construction, rehabilitation of single family homes and multifamily residential rental projects, and refinancing of existing debt. In conjunction with the Agency's multifamily revenue bonds, developers may be entitled to 4% Low Income Housing Tax Credits under the Internal Revenue Code.

The Agency also operates programs that include down payment and closing cost assistance, pre-development loans, construction monitoring services, multifamily mortgage loan servicing and a wide range of other technical assistance services that are available to prospective homeowners, developers and to the Washington D.C. Metropolitan Area at large.

These single family and multifamily programs funds are used to account for proceeds of bonds, notes, debentures or other financial indebtedness of the Agency issued under these programs, cash and investments held under the bond indenture revenue fund, debt service reserve fund, rebate fund, redemption fund and program subsidy fund, mortgage loans held pursuant to the bond indenture, and repayments and prepayments collected from mortgage loans originated under the bond indenture.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020 AND 2019 (UNAUDITED)

The accompanying financial statements exclude the Agency's HomeSaver Program (a U.S. Treasury Hardest Hit Fund Initiative). The Agency prepares separate financial statements for the HomeSaver Program Fund, which is set up to account for the HomeSaver Program proceeds received under the U.S. Treasury Hardest Hit Fund Initiative. The proceeds are used for program disbursements to fund mortgage loans to the homeowners of the District of Columbia who are at risk of foreclosure and who have experienced involuntary job loss or become underemployed with decreased employment income, and to pay the Agency's administrative expenses of the HomeSaver Program. Additionally, the proceeds are used for program disbursements to fund real property tax liabilities for homeowners of the District of Columbia who are at risk of foreclosure due to delinquent real property tax payments.

Financial Highlights for the Year Ended September 30, 2020, and Comparative Financial Highlights for the Years Ended September 30, 2019 and 2018

Significant Macroeconomic Factors and Program Updates

In fiscal year 2020, the Agency issued over \$300 million in tax exempt bond volume cap and exceeded its projected revenue target by 7%. The Agency's core business continued to operate without interruption. The Agency quickly transitioned into a 100% telework without disruption during COVID and will continue to do so until the public health emergency ends.

Assets in the Agency's permanent portfolio were impacted and unemployment has disproportionately impacted the residents and resulted in increased vacancy. In early fiscal year 2021, the City did provide Housing Stabilization Grants to Housing Providers in the Agency's portfolio to lessen the adverse impact of delinquency. Thus far, less than 5% of the entire portfolio has applied for forbearance.

Some multifamily projects under construction were impacted by COVID outbreaks which temporarily stopped construction but have not materially delayed any projects to date. Prevention measures have been implemented at projects under construction and to date no new reports of infections have been reported.

The new business pipeline in the multifamily space has been adversely impacted by lower pricing on the LIHTC and local subsidies were increased as necessary to assist these projects in closing.

The Single Family business was mildly impacted at the initial outbreak but overall the single family market was strong in fiscal year 2020 despite COVID as reflected in our volumes and profitability. The Agency's general and administrative costs dropped in some areas as employees predominantly worked from home lowering building and maintenance costs, travel and marketing expenses all downward.

The Agency's total debt portfolio decreased by \$6.4 million from \$205.7 million in fiscal year 2019 to \$199.3 million in fiscal year 2020. In fiscal year 2019, the portfolio increased from \$181.1 million at the beginning of the year to \$205.7 million at year-end. The Agency is adopting the GASB Statement No. 91, *Conduit Debt Obligations*, standard with regard to our conduit debt portfolio which means that portfolio comes off of our Statement of Net Position in fiscal year 2020. Fiscal year 2019 and 2018 debt totals have been adjusted for comparison

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020 AND 2019 (UNAUDITED)

purposes. There were no bonds issued outside of the conduit program during fiscal year 2020 compared to \$39.9 million of multifamily bond project issuances in fiscal year 2019. In fiscal year 2018, total debt issuance was \$106.3 million.

In March 2017, DCHFA entered into a grant agreement with the DC Department of Housing and Community Development ("DHCD") as the sub-recipient in the administration of the Home Purchase Assistance Program ("HPAP") funded by a variety of sources to include the Community Development Block Grant ("CDBG") funds. Accordingly, the Agency established a \$3,000,000 line of credit with Industrial Bank, which was increased to \$5,000,000 in fiscal year 2020, to serve as a facility to fund HPAP loans. The line is paid down upon receipt of reimbursements from DHCD on a monthly basis. As of September 30, 2020, the outstanding balance on the credit line totaled \$2.0 million, down from \$3.5 million at the end of fiscal year 2019.

Basic Financial Statements

The accompanying financial statements include: Statements of Net Position, Statements of Revenues, Expenses and Change in Net Position and Statements of Cash Flows. The Statements of Net Position shows the financial position of the Agency and its programs as of the end of the reporting period, while the Statements of Revenues, Expenses and Change in Net Position shows the results of operations for the reporting period. The Statements of Cash Flows shows sources and uses of cash in the operating, investing and financing activities of the Agency and its programs.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020 AND 2019 (UNAUDITED)

Financial Statement Analysis

The following information is an analysis of the Agency's financial statements for the year ended September 30, 2020, compared to the financial statements for the years ended September 30, 2019 and 2018:

	<u>2020</u>	Net Change	<u>2019*</u>	Net Change	<u>2018*</u>
Current assets	\$ 107,009,880	-14.6%	\$ 125,371,500	-20.0%	\$ 156,732,943
Non-current other assets	342,737,324	27.8%	268,279,182	59.8%	167,888,401
Non-current capital assets	<u>2,556,666</u>	-0.7%	<u>2,575,036</u>	0.9%	<u>2,552,886</u>
Total assets	<u>452,303,870</u>	14.2%	<u>396,225,718</u>	21.1%	<u>327,174,230</u>
Current liabilities	113,951,935	78.0%	64,006,736	99.2%	32,128,024
Non-current liabilities	<u>195,997,098</u>	-2.4%	<u>200,868,539</u>	12.6%	<u>178,384,378</u>
Total liabilities	<u>309,949,033</u>	17.0%	<u>264,875,275</u>	25.8%	<u>210,512,402</u>
Net position:					
Net investment in capital assets	<u>2,556,666</u>	-0.7%	<u>2,575,036</u>	0.9%	<u>2,552,886</u>
Restricted for:					
Bond fund, collateral and Risk Share Program	29,954,219	6.3%	28,178,929	19.7%	23,541,289
McKinney Act Fund	<u>8,868,951</u>	-3.3%	<u>9,167,744</u>	2.7%	<u>8,927,945</u>
Total Restricted	<u>38,823,170</u>	4.0%	<u>37,346,673</u>	15.0%	<u>32,469,234</u>
Unrestricted	<u>100,975,001</u>	10.4%	<u>91,428,734</u>	12.0%	<u>81,639,708</u>
Total Net Position	<u>142,354,837</u>	8.4%	<u>131,350,443</u>	12.6%	<u>116,661,828</u>
Total Liabilities and Net Position	<u>\$ 452,303,870</u>	14.2%	<u>\$ 396,225,718</u>	21.1%	<u>\$ 327,174,230</u>

* The Agency early adopted and implemented GASB Statement No. 91 during fiscal year 2020. The 2019 and 2018 amounts presented have been restated to reflect the implementation of GASB 91. Refer to Note 2 to the financial statements.

In fiscal year 2020, the Agency's combined assets increased by 14.2%, compared to the 21.1% increase in fiscal year 2019. The increase in assets is a function of increases in mortgage loans receivable as well as unrestricted cash, cash equivalents and investments held in trust. The current liabilities have increased 78.0% and 99.2%, respectively, in fiscal years 2020 and 2019 because of prepaid fees and changes in the project funds held for borrower. Capital assets were unchanged at \$2.6 million.

Operating Results

During fiscal year 2020, the Agency's combined net position increased by \$11 million, or 8.4%, which comprises operating income of \$10.8 million from operations and a non-operating gain of \$.1 million due to an increase in the unrealized fair value of mortgage-backed securities. For fiscal year 2019, net position increased by \$14.7 million, or 12.6%, consisting of \$13.7 million in operating income and a non-operating gain of \$0.9 million due to an increase in the unrealized fair value of mortgage backed securities.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020 AND 2019 (UNAUDITED)

During fiscal year 2020, combined operating revenues decreased by \$2.7 million or 8.3% from fiscal year 2019, primarily due to a 25.5% decrease in investment interest income and a 29.5% decrease in mortgage-backed security interest income.

During fiscal year 2019, combined operating revenues increased \$7.3 million or 28.9% from fiscal year 2018, primarily due to a 277.4% increase in interest income, a 37.1% increase in mortgage and construction loan interest income.

Combined operating expenses in fiscal year 2020 increased by \$0.2 million or 0.9%, from fiscal year 2019. General and administrative costs were down \$1.6 million or 27.7% but was offset by a \$1.5 million dollar or 25.6% increase in interest expense.

Combined operating expenses in fiscal year 2019 increased by \$3.6 million, or 23.3%, from fiscal year 2018, primarily due to a 59.5% increase in interest expense, a 17.7% increase in personnel and related costs and a 142.6% increase in trustee fees and other expenses.

	<u>2020</u>	<u>Net Change</u>	<u>2019*</u>	<u>Net Change</u>	<u>2018*</u>
Operating Revenues					
Investment interest income	\$ 3,588,311	-25.5%	\$ 4,815,165	277.4%	\$ 1,275,802
Mortgage-backed security interest income	733,306	-29.5%	1,040,718	-14.0%	1,210,184
Interest on mortgage and construction loans	7,434,541	11.8%	6,647,255	37.1%	4,847,722
Construction and development admin fees	2,780,369	14.1%	2,435,825	4.4%	2,332,603
Financing Fee income	6,409,195	0.6%	6,371,796	44.5%	4,409,937
Bond administration fee income	4,012,843	-36.5%	6,317,193	-0.2%	6,328,606
McKinney Act interest revenue	288,898	63.6%	176,596	-62.1%	466,066
Application and commitment fees	374,964	218.7%	117,651	-17.0%	141,783
Other	4,353,369	-8.6%	4,765,009	9.5%	4,353,009
Total operating revenues	29,975,796	-8.3%	32,687,208	28.9%	25,365,712
Non-operating revenues	144,299	-84.7%	945,983	168.6%	(1,378,229)
Total revenue	30,120,095	-10.4%	33,633,191	40.2%	23,987,483
Operating Expenses					
General and administrative	4,183,650	-27.7%	5,788,091	4.4%	5,543,915
Personnel and related costs	6,770,659	2.6%	6,601,018	17.7%	5,606,409
Interest expense	7,562,164	25.6%	6,020,372	59.5%	3,774,375
Depreciation and amortization	386,627	-9.6%	427,911	9.2%	391,915
Trustee fees and other expenses	212,601	98.4%	107,184	142.6%	44,186
Total operating expenses	19,115,701	0.9%	18,944,576	23.3%	15,360,800
Operating Income (Loss)	10,860,095	-21.0%	13,742,632	37.4%	10,004,912
Change in Net Position	11,004,394	-25.1%	14,688,615	70.3%	8,626,683
Net position, beginning of year	131,350,443	12.6%	116,661,828	8.0%	108,035,145
Net position, end of year	\$ 142,354,837	8.4%	\$ 131,350,443	12.6%	\$ 116,661,828

* The Agency early adopted and implemented GASB Statement No. 91 during fiscal year 2020. The 2019 and 2018 amounts presented have been restated to reflect the implementation of GASB 91. Refer to Note 2 to the financial statements.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
SEPTEMBER 30, 2020 AND 2019 (UNAUDITED)

In fiscal year 2020, the Agency recorded \$9.3 million operating income and \$9.3 million overall net income in its General Fund, increasing its General Fund's net position from \$105.8 million at the beginning of the year to \$115.1 million at fiscal year-end. In fiscal years 2019 and 2018, the General Fund's operating income amounted to \$10 million and \$8 million, respectively.

Debt Management

Debt activity, including credit lines and mortgage revenue bonds issued for the years ended September 30, 2020, 2019 and 2018 was as follows:

	<u>2020</u>	<u>2019*</u>	<u>2018*</u>
Beginning balance	\$ 205,924,229	\$ 181,148,147	\$ 95,916,000
New issuance/draws	656,000	39,945,000	106,344,400
Redemptions/maturities	(6,998,743)	(15,168,918)	(21,112,253)
Ending balance	<u>\$ 199,581,486</u>	<u>\$ 205,924,229</u>	<u>\$ 181,148,147</u>

* The Agency early adopted and implemented GASB Statement No. 91 during fiscal year 2020. The 2019 and 2018 amounts presented have been restated to reflect the implementation of GASB 91. Refer to Note 2 to the financial statements.

In fiscal year 2020, the Agency's combined outstanding debt decreased by \$6.3 million from fiscal year 2019. Total single family revenue bonds were reduced by \$2.6 million because of loan prepayment redemptions. No new single family bonds have been issued in fiscal years 2020 and 2019.

In March 2017, the Agency established a line of credit with Industrial Bank for the purpose of funding HPAP loans. As of September 30, 2020, the total outstanding balance on the Industrial credit line was \$2.0 million, up from \$1.5 million at the end of fiscal year 2019.

During fiscal year 2020, DCHFA financed thirteen multifamily projects in total through conduit financing for a total bond issuance amount of \$331.2 million.

During fiscal year 2019, DCHFA financed fifteen multifamily revenue projects in total through conduit financing and under the Multifamily Development Program Indenture for a total bond issuance amount of \$301.2 million.

Capital Assets

Capital assets, net of accumulated depreciation and amortization, were \$2.6 million, respectively as of September 30, 2020, 2019 and 2018. The detailed analysis of changes in capital assets is in Note 5.

Key Bond Programs

Multifamily Development Program ("MFDP")

The Agency desired to implement a program that provides flexible financing options for loans made to finance housing projects through the issuance of bonds, notes or other obligation by the Agency. In spring 2017, the Agency established a new multifamily bonds indenture in order to

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
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issue its multifamily mortgage revenue bonds, from time to time, for the purpose of (i) providing funds to finance, among other things, the acquisitions, construction, rehabilitation and equipping and/or permanent financing or refinancing of housing projects in the District of Columbia for occupancy by low and moderate income persons and (ii) refunding bonds previously issued by the Agency. The MFDP includes other indentures used prior to the 2017 indenture for the same purposes.

Single Family New Issue Bond Program ("Single Family NIBP")

The Single Family NIBP started in fiscal year 2010 with the issuance of \$25.0 million in taxable escrow bonds. All of the Single Family NIBP bonds remained in escrow as of September 30, 2011. In fiscal year 2012, the Agency used the advantageous cost of NIBP capital to design competitive interest rate mortgage loan products offered to the District homebuyers. The Agency modified and redelivered \$14.2 million of taxable NIBP escrow bonds into tax-exempt mortgage revenue bonds. In fiscal year 2011, due to the non-negative arbitrage nature of the NIBP escrow bonds, the Agency elected to use its own General Fund monies and proceeds from the draw on the PNC Bank credit line to provide interim financing source for the acquisition of the mortgage-backed securities, the practice known as "warehousing." The warehoused mortgage-backed securities became assets collateralizing the new NIBP tax-exempt bonds issued at the end of calendar year 2011, and the General Fund was reimbursed from the released bond proceeds. Early in fiscal year 2012, the Agency master servicer, Bank of America, terminated its corresponding lender relationship, which disrupted the Agency's ability to securitize the originated homeownership loans into mortgage-backed securities for the remainder of the year and half of fiscal year 2013. The Agency decided to use \$5.1 million of the single family NIBP escrow bonds to finance one multifamily transaction, which is accounted for under the Multifamily NIBP, and to redeem the \$5.7 million in unused NIBP single family taxable escrow bonds as the deadline for their use was December 31, 2012. Due to the executive management decision, the Agency changed its single family business model from bond financing to a purchase and sale of the mortgage backed securities. These purchase and sale transactions are accounted for under the DCHFA General Fund and not under the Single Family Program Funds. Total bond redemptions and maturities for the fiscal year 2020 was \$.9 million, bringing the total bonds outstanding down to \$3.1 million at September 30, 2020, from \$4.0 million at September 30, 2019.

Single Family Program

Outside the Single Family NIBP, the Agency has not issued new bonds under the Single Family Program since 2007 due to persistent interest rate disadvantages of pricing loans based on the traditional tax-exempt mortgage revenue bond market. Following the prudent financial management practice of minimizing costs, the Agency elected to carry out more frequent optional bond redemptions. Total bond redemptions and maturities for 1988 and 1996 Single Family Mortgage Revenue Bonds for fiscal year 2020 was \$1.8 million, bringing the total bonds outstanding down to \$2.1 million at September 30, 2020, from \$3.9 million at September 30, 2019.

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SEPTEMBER 30, 2020 AND 2019 (UNAUDITED)

HUD Risk-Sharing Program and Agency General Fund

The Agency has two risk-sharing agreements with HUD where HUD pays 100% of the amount needed to retire bonds issued in connection with a defaulted project at the time of the initial claim. Both agreements provide loss sharing in the event of default. The most recent program enhancement allows the Agency to share losses 50% between FHA and the Agency whereas the older program splits losses between FHA at 90% and the Agency at 10%. In order to participate in this program, the Agency set aside an initial deposit of \$500,000 in a separate HUD Risk-Sharing Reserve account. The Agency added to the Risk-Sharing Reserve account and maintains a reserve in excess of the minimum required reserve level. As of September 30, 2020, 2019 and 2018, the HUD Risk-Sharing Reserve funds had a balance of \$2.7 million and the outstanding principal balance of the risk-sharing insured loans was \$173.2 million, \$123.7 million, and \$110.6 million, respectively.

Conclusion

Management's discussion and analysis is presented to provide additional information regarding the activities of the Agency and to meet the disclosure requirements of GASB Statement No. 34. If you have questions about the report or need additional financial information, contact the Chief Financial Officer, Stephen Clinton, District of Columbia Housing Finance Agency, (202)777-1620, 815 Florida Avenue, N.W. Washington DC 20001, sclinton@dchfa.org or go to our website at www.dchfa.org.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
STATEMENTS OF NET POSITION
SEPTEMBER 30, 2020 AND 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019, as restated</u>
CURRENT ASSETS		
Unrestricted current assets:		
Cash and cash equivalents	\$ 31,509,181	\$ 21,805,407
Investments	24,222,789	32,017,948
Other receivables	2,263,789	4,723,993
Accrued interest receivable	478,693	466,945
Prepaid fees	115,753	200,770
Total unrestricted current assets	58,590,205	59,215,063
Restricted current assets:		
Cash and cash equivalents	43,084,584	59,705,128
Accounts receivable - HPAP program	1,643,650	3,306,548
Mortgage-backed securities at fair value	2,296	32,024
Mortgage and construction loans receivable, net	-	256,464
McKinney Act loans receivable, net	2,622,709	1,999,971
Accrued interest receivable	1,066,436	856,302
Total restricted current assets	48,419,675	66,156,437
TOTAL CURRENT ASSETS	107,009,880	125,371,500
NON-CURRENT ASSETS		
Unrestricted non-current assets:		
Investments	24,177,302	20,714,139
Mortgage and construction loans receivable, net	3,176,451	-
Total unrestricted non-current assets	27,353,753	20,714,139
Restricted non-current assets:		
Investments held in trust	123,173,397	98,024,808
Investments in joint ventures	885,532	1,081,539
Mortgage-backed securities at fair value	16,624,994	20,971,065
Mortgage and construction loans receivable, net	170,001,119	123,751,098
Loans receivable	1,922,810	2,024,317
McKinney Act loans receivable, net	2,775,719	1,712,216
Total restricted non-current assets	315,383,571	247,565,043
Capital assets:		
Land	573,000	573,000
Property and equipment	6,885,237	6,516,980
Less accumulated depreciation and amortization	(4,901,571)	(4,514,944)
Total capital assets, net	2,556,666	2,575,036
TOTAL NON-CURRENT ASSETS	345,293,990	270,854,218
TOTAL ASSETS	\$ 452,303,870	\$ 396,225,718

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
STATEMENTS OF NET POSITION (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

<u>LIABILITIES AND NET POSITION</u>	<u>2020</u>	<u>2019, as restated</u>
CURRENT LIABILITIES		
Current liabilities payable from unrestricted assets:		
Accounts payable and accrued liabilities	\$ 409,984	\$ 266,663
Accrued salary and vacation payable	711,418	646,034
Prepaid fees	3,797,124	2,854,116
Total current liabilities payable from unrestricted assets	4,918,526	3,766,813
Current liabilities payable from restricted assets:		
Accounts payable and accrued liabilities	183,325	186,333
Project funds held for borrower and other liabilities	104,584,990	54,660,448
Interest payable	916,614	582,419
Current portion of loan payable	2,047,815	3,492,406
Current portion of bonds payable	1,300,665	1,318,317
Total current liabilities payable from restricted assets	109,033,409	60,239,923
TOTAL CURRENT LIABILITIES	113,951,935	64,006,736
NON-CURRENT LIABILITIES		
Non-current liabilities payable from restricted assets:		
Bonds payable - less current portion	195,997,098	200,868,539
Total non-current liabilities payable from restricted assets	195,997,098	200,868,539
TOTAL LIABILITIES	309,949,033	264,875,275
NET POSITION		
Net investment in capital assets	2,556,666	2,575,036
Restricted for:		
Bond Fund, collateral and Risk Share Program	29,954,219	28,178,929
McKinney Act Fund	8,868,951	9,167,744
Total restricted net position	38,823,170	37,346,673
Unrestricted net position	100,975,001	91,428,734
TOTAL NET POSITION	142,354,837	131,350,443
TOTAL LIABILITIES AND NET POSITION	\$ 452,303,870	\$ 396,225,718

The accompanying notes are an integral part of these financial statements.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	<u>2020</u>	<u>2019, as restated</u>
OPERATING REVENUES		
Investment interest income	\$ 3,588,311	\$ 4,815,165
Mortgage-backed security interest income	733,306	1,040,718
Interest on mortgage and construction loans	7,434,541	6,647,255
Construction and development admin fees	2,780,369	2,435,825
Financing fee income	6,409,195	6,371,796
Bond administration fee income	4,012,843	6,317,193
McKinney Act interest revenue	288,898	176,596
Application and commitment fees	374,964	117,651
Other	4,353,369	4,765,009
Total operating revenues	<u>29,975,796</u>	<u>32,687,208</u>
OPERATING EXPENSES		
General and administrative	4,183,650	5,788,091
Personnel and related costs	6,770,659	6,601,018
Interest expense	7,562,164	6,020,372
Depreciation and amortization	386,627	427,911
Trustee fees and other expenses	212,601	107,184
Total operating expenses	<u>19,115,701</u>	<u>18,944,576</u>
OPERATING INCOME	<u>10,860,095</u>	<u>13,742,632</u>
NON-OPERATING REVENUES/(EXPENSES)		
Federal and city programs:		
Program revenue	9,486,672	9,013,630
Program expenses	(9,486,672)	(8,993,910)
Increase (decrease) in fair value of mortgage-backed securities and investments	144,299	926,263
Total non-operating revenues/(expenses)	<u>144,299</u>	<u>945,983</u>
CHANGE IN NET POSITION	<u>11,004,394</u>	<u>14,688,615</u>
Net position, beginning of year	131,350,443	116,661,828
Net position, end of year	<u>\$ 142,354,837</u>	<u>\$ 131,350,443</u>

The accompanying notes are an integral part of these financial statements.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	<u>2020</u>	<u>2019, as restated</u>
Cash Flows from Operating Activities		
Interest received on loans	\$ 7,451,690	\$ 4,771,195
Administrative and financing cash receipts	13,202,407	12,688,989
Other cash receipts	68,074,151	45,146,038
Payments to vendors	(12,501,983)	(15,782,020)
Payments to employees	(6,705,275)	(6,255,047)
Net mortgage and construction loans disbursements	(50,754,742)	(11,792,770)
Principal and interest received on mortgage-backed securities	5,251,344	24,224,551
Payment for the purchase of mortgage-backed securities	-	(18,471,629)
Other cash payments	(212,601)	(68,478)
Net cash provided by operating activities	<u>23,804,991</u>	<u>34,460,829</u>
Cash Flows from Capital and Related Financing Activities		
Acquisition of capital assets	(368,257)	(256,000)
Net cash used in capital and related financing activities	<u>(368,257)</u>	<u>(256,000)</u>
Cash Flows from Non-Capital Financing Activities		
Interest paid on bonds and loans	(7,227,969)	(4,854,080)
Transfer from (to) other funds	-	301,790
Proceeds from bond issuances and loans	656,000	39,945,000
Principal payments on issued debt and loans	(6,998,743)	(13,557,032)
Net cash (used in) / provided by non-capital financing activities	<u>(13,570,712)</u>	<u>21,835,678</u>
Cash Flows From Investing Activities		
Investment in joint ventures	196,007	(185,197)
Interest received on investments	3,588,311	4,805,824
Maturities and sales of investments	33,797,958	19,519,464
Purchase of investments	(54,365,068)	(128,881,399)
Net cash used in investing activities	<u>(16,782,792)</u>	<u>(104,741,308)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(6,916,770)	(48,700,801)
Cash and cash equivalents, beginning of year	81,510,535	130,211,336
Cash and cash equivalents, end of year	<u>\$ 74,593,765</u>	<u>\$ 81,510,535</u>
Cash, cash equivalents and restricted cash		
Cash and cash equivalents	\$ 31,509,181	\$ 21,805,407
Restricted cash and cash equivalents	43,084,584	59,705,128
Total cash, cash equivalents and restricted cash	<u>\$ 74,593,765</u>	<u>\$ 81,510,535</u>

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
STATEMENTS OF CASH FLOWS
YEARS ENDED SEPTEMBER 30, 2020 AND 2019

	<u>2020</u>	<u>2019, as restated</u>
Reconciliation of Operating Income to Net Cash Provided by		
Operating Activities		
Operating income	\$ 10,860,095	\$ 13,742,632
Depreciation and amortization	386,627	427,911
Gain on disposal of assets	-	(174,341)
Amortization of prepaid items, premiums and discounts on debt	-	(248,962)
Interest on bonds/loans	7,227,969	4,854,080
Provision for uncollectible interest revenue	31,853	(34,396)
Increase in mortgage and construction loans	(50,754,742)	(11,835,888)
Decrease in mortgage-backed securities	4,468,171	23,278,169
Purchases of mortgage-backed securities	-	(18,471,629)
Interest received on investments	(3,588,311)	(4,805,824)
Asset / (liability) adjustment		
Decrease (increase) in assets:		
Accrued interest receivable	(253,735)	(171,836)
Other current assets	85,017	(74,836)
Other receivables	4,123,102	(306,771)
(Decrease) increase in liabilities:		
Accounts payable and accrued liabilities	205,697	(572,479)
Prepaid items	943,008	1,050,814
Project funds held for borrower and other liabilities	49,736,045	27,772,132
Accrued interest payable	334,195	32,053
Net cash provided by operating activities	<u><u>\$ 23,804,991</u></u>	<u><u>\$ 34,460,829</u></u>

The accompanying notes are an integral part of these financial statements.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1: ORGANIZATION AND PURPOSE

The District of Columbia Housing Finance Agency (the “Agency” or “DCHFA”) was created as a corporate body which has a legal existence separate from the Government of the District of Columbia (the “District”) but which is an instrumentality of the District, created to effectuate certain public purposes. The Agency is empowered to, among other activities, generate funds from public and private sources to increase the supply and lower the cost of funds available for residential mortgages and notes and for the construction of permanent multifamily rental properties.

In 1991, the Governmental Accounting Standards Board issued Statement No. 14, *The Financial Reporting Entity*. The definition of the reporting entity is based primarily on the notion of financial accountability. In determining financial accountability for legally separate organizations, the Agency considered whether its officials appoint a voting majority of an organization’s governing body and the Agency is either able to impose its will on that organization or if there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Agency. The Agency also considered whether there are organizations that are fiscally dependent on it. It was determined that there are no component units of the Agency.

These financial statements present only financial information about the Agency, an enterprise fund of the District. The enterprise fund qualifies for inclusion in the District’s reporting entity pursuant to Governmental Accounting Standards Board (“GASB”) Statement No. 39, *Determining Whether Certain Organizations are Component Units*. These financial statements do not purport to, and do not, present fairly the financial position of the District and the changes in its financial position and cash flows, in conformity with accounting principles generally accepted in the United States of America. The Agency is included in the District’s Comprehensive Annual Financial Report as a discretely presented component unit.

The accompanying combined financial statements include DCHFA’s General Fund and Revenue Obligation Funds: Single Family Program Funds and Multifamily Program Funds. Within each Revenue Obligation Fund are separate accounts maintained for each obligation in accordance with the respective indentures.

The bonds and notes issued by the Agency are special obligations of the Agency payable principally from revenue and repayments of mortgage loans and mortgage-backed securities and investments, financed by or purchased from the proceeds of such bonds under applicable indentures and are not a debt of the District. Neither the faith and credit nor the taxing power of the District is pledged for the repayment of the bonds.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 1: ORGANIZATION AND PURPOSE (Continued)

The General Fund credit line draw by the Agency is backed by the General Fund assets and constitutes the Agency's general obligation.

The following is a description of the funds maintained by the Agency ("Funds"):

General Fund - The General Fund is used to record the receipt and accrual of income not directly pledged for repayment of debt securities under the Revenue Obligation Funds, to pay expenses related to the Agency's administrative functions and operations, including mortgage servicing, HUD Risk-Share insurance program, McKinney Act loan program and purchase and sale of single family mortgage-backed securities.

Single Family Program Funds - The Single Family Program Funds are used to account for the proceeds of single family mortgage revenue bond issues, investments, mortgage loans and mortgage-backed securities held pursuant to the indentures authorizing the issuance of the bonds, the debt service requirements on the bonds, and debt service collected from mortgage loans purchased for the financing of owner-occupied single family residences in the District. Single Family Program Funds include the following active bond programs: 1988 Collateralized Single Family Mortgage Revenue Bonds, 1996 Single Family Mortgage Revenue Bonds and 2009 Single Family New Issue Bond Program ("Single Family NIBP").

Multifamily Program Funds - The Multifamily Program Funds are used to account for proceeds of bonds, notes, debentures or other financial indebtedness of the Agency issued under the Multifamily Development Program Indenture ("MFDP") and smaller indentures under the multifamily HUD Risk-Share insurance program (the "Indentures"), cash and investments held under the Indentures revenue funds, debt service reserve funds, rebate funds, redemption funds and program subsidy funds, mortgage loans held pursuant to the Indentures, and repayments and prepayments collected from mortgage loans originated to finance multifamily residential rental facilities within the District for persons or families of limited income.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the Agency's significant accounting policies:

Basis of Accounting and Measurement Focus - For financial reporting purposes only, the Agency is a component unit of the District. The Agency's General Fund and Revenue Obligation Funds are accounted for as enterprise funds. Accordingly, the accompanying combined financial statements have been

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

prepared using the accrual method of accounting and on the basis of accounting principles generally accepted in the United States of America.

The Agency reports its financial activities by applying Standards of the Governmental Accounting and Financial Reporting as promulgated by the Governmental Accounting Standards Board. The Agency has implemented the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November, 1989 FASB and AICPA Pronouncements*.

The Agency has adopted GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*. Under GASB Statement No. 34, net position should be reported as restricted when constraints placed on the net position use are either: externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or are imposed by law through constitutional provisions or enabling legislation. Accordingly, the net position of the Revenue Obligation Funds is restricted as to its use as substantially the net position within each indenture is pledged to respective bondholders.

Operating Revenues and Expenses - The Agency distinguishes operating revenues and expenses from non-operating items in conformity with GASB Statement No. 34. Operating revenue and expenses are identified as those activities that are directly related to financing affordable housing in the District. The Agency's activities are considered to be operating except for unrealized changes in the fair value of mortgage-backed securities. Operating revenues primarily consist of interest on mortgage-backed securities, interest on mortgage and construction loans and investment of bond proceeds, issuer fees, construction monitoring fees, servicing fees and other revenues. Operating expenses primarily consist of bond interest, personnel costs, bond issuance costs, bond administrative fees, trustee, legal and financial advisory fees, depreciation and amortization of discounts and premiums and other operating expenses.

Non-Operating Revenues and Expenses - non-operating revenues and expenses mainly consist of federal and city grant programs. Federal and city grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash, collateralized demand deposits, collateralized or FDIC-insured certificates of deposit, money market funds and investments in highly liquid short-term instruments with original maturities of three months or less at the time of purchase.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments - Investments consist of debt obligations of the U.S. Treasury and U.S. Government Agencies, government-sponsored enterprises (“GSEs”), corporate debt securities, and investment agreements. Investments are reported at fair value as determined by financial services providers, except for certain non-participating fixed interest investment contracts which are valued using cost based measures. Debt securities are stated at fair value, based on the quoted market prices. Investments of the General Fund are made in accordance with the Agency’s investment policy. Investments in the Revenue Obligation Funds follow the Agency investment policy and consist of those permitted by the respective trust indentures adopted by the Agency providing for the issuance of notes and bonds. Investments are reported at fair value in the Statements of Net Position and changes in the fair value of investments are recognized in the Statements of Revenues, Expenses and Change in Net Position as part of operating income.

Mortgage-Backed Securities - Mortgage-backed securities represent certificates issued by the Government National Mortgage Association (“Ginnie Mae” or “GNMA”), the Federal National Mortgage Association (“Fannie Mae” or “FNMA”) and the Federal Home Loan Mortgage Corporation (“Freddie Mac” or “FHLMC”), which guarantee the receipt by the Agency’s trustee of monthly principal and interest from mortgages originated with proceeds from the Agency’s Single Family and Multifamily Programs. These securities are stated at fair value, as determined by financial services providers or financial publications. These guaranteed securities are issued in connection with single family mortgage loans and mortgage loans on multifamily projects. Each of these securities is generally intended to be held to maturity or optional par redemption date for the underlying bonds or until the payoff of the related loans. The repayment and prepayments of the mortgage-backed securities are at par value based on the guarantees embedded in these securities. Mortgage-backed securities are reported at fair value on the Statements of Net Position and unrealized changes in the fair value of mortgage-backed securities are recognized in the Statements of Revenues, Expenses and Change in Net Position as part of non-operating income.

Mortgage and Construction Loans Receivable - Mortgage loans are carried at their unpaid principal balances, and construction loans are carried at amounts advanced, net of collections and allowances for potential loan losses. The Agency’s allowance for doubtful accounts policy is to charge expenses for estimated probable losses which are established as an allowance for loan losses. The allowance is an amount that management believes will be adequate to absorb losses inherent in existing loans based on evaluations of collectability and prior loss experience as well as a competitive benchmarking study.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property and Equipment - Property and equipment purchases are recorded in the General Fund, capitalized at cost and depreciated using the straight-line method over the estimated useful lives in general ranging from five to forty years.

Bond Discounts and Premiums - Bond discounts or premiums arising from the sale of serial or term bonds are amortized using the straight-line method which approximates the effective yield method, over the life of the bond issue.

Net Position - Net position is reported in three separate categories:

- **Net investment in capital assets** - Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- **Restricted** - Net position whose use by the Agency is subject to externally imposed stipulations (such as bond covenants) that can be fulfilled by actions of the Agency pursuant to those stipulations or that expire with the passage of time. Such net assets include all Revenue Obligation Funds, HOME and DC Open Doors Program funds under the Single Family Program, certain holdings under the General Fund: the McKinney Act Program funds, HUD Risk-Share Reserve and assets used as collateral for the credit line draws or as warehouse securities for future bond issues.
- **Unrestricted** - Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

Financing and Other Fee Revenue - Under the Single Family Program, the Agency originates single family mortgage loans which are pooled into mortgage-backed securities used as direct collateral for the respective bonds. As part of this securitization, the Agency earns servicing release fees net of originating lender fees.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Change in Accounting Principle - In May of 2019, the GASB issued Statement No. 91 (“GASB 91”) *Conduit Debt Obligations*, which provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in reporting. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The effective date of the Statement is reporting periods beginning after December 15, 2021, as amended by GASB Statement No. 95 *Postponement of the Effective Dates of Certain Authoritative Guidance*. The Agency elected early application. GASB 91 was adopted retrospectively during the year ended September 30, 2020. Consequently, the amounts reported for the year ended September 30, 2019 have been revised to exclude the assets and liabilities of the conduit debt program as previously reported.

	2019 Amount Previously Reported	Change	2019 Amount Reported
Total assets	\$ 1,877,501,534	\$ (1,481,275,816)	\$ 396,225,718
Deferred outflows of resources	\$ 197,556	\$ (197,556)	\$ -
Total liabilities	\$ 1,736,467,137	\$ (1,471,591,862)	\$ 264,875,275
Net position	\$ 141,231,953	\$ (9,881,510)	\$ 131,350,443
Total operating revenues	\$ 99,730,592	\$ (67,043,384)	\$ 32,687,208
Total operating expenses	\$ 83,902,891	\$ (64,958,315)	\$ 18,944,576
Total non-operating revenues / (expenses)	\$ 3,837,813	\$ (2,891,830)	\$ 945,983
Change in net position	\$ 19,665,514	\$ (4,976,899)	\$ 14,688,615
Net position, beginning of year	\$ 121,566,439	\$ (4,904,611)	\$ 116,661,828
Net position, end of year	\$ 141,231,953	\$ (9,881,510)	\$ 131,350,443

Reclassifications - Certain items from the prior year financial statements have been reclassified to conform to the current year presentation.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES

Bond proceeds and revenues from mortgages, mortgage-backed securities and investments are invested in authorized investments as defined in the respective indentures and, for the General Fund, in accordance with the Agency's Investment Policy, until required for purchasing mortgage-backed securities or originating mortgage loans, funding reserves, paying debt service or redeeming outstanding bonds and notes, and funding program and administrative and operating expenses.

The following assets, reported at fair value and held by the Funds at September 30, 2020, were evaluated in accordance with GASB Statement No. 40 for interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Asset	General Fund	Single Family Program Funds			Multifamily		Total
		1988 Collateralized Single Family Mortgage Revenue Bonds	1996 Single Family Mortgage Revenue Bonds	Series 2009 A-1 Single Family Housing Revenue Bonds (NIBP)	FHA - Insured Pass-Through Revenue Refunding Bonds (MFDP)	Multifamily Program Fund	
Cash and Cash Equivalents							
Non-Money Market Deposits	\$ 6,039,416	\$ -	\$ -	\$ -	\$ 4	\$ -	\$ 6,039,420
Demand Money Market Deposits	47,803,789	-	-	-	3,195,396	-	50,999,185
Money Market Funds	-	4,264,287	1,486,192	893,200	8,087,669	2,823,872	17,555,160
Total Cash and Cash Equivalents	53,843,205	4,264,287	1,486,192	893,200	11,283,069	2,823,872	74,593,765
Investments							
Certificate of Deposit	4,071,609	-	-	-	-	-	4,071,609
U.S. Treasury Obligations	304,361	-	-	-	-	-	304,361
Municipal Obligations	4,789,378	-	-	-	-	-	4,789,378
Investment Agreements	-	10,000,000	-	-	112,360,163	-	122,360,163
Corporate Obligations	37,897,579	-	-	-	-	-	37,897,579
GSE Obligations	1,337,164	-	-	-	813,234	-	2,150,398
Total Investments	48,400,091	10,000,000	-	-	113,173,397	-	171,573,488
Mortgage-Backed Securities							
Ginnie Mae	1,095,678	-	2,420,558	2,795,663	-	-	6,311,899
Fannie Mae	1,630,309	-	2,764,915	305,925	-	-	4,701,149
Freddie Mac	-	-	5,614,242	-	-	-	5,614,242
Total Mortgage-Backed Securities	2,725,987	-	10,799,715	3,101,588	-	-	16,627,290
Total Cash, Investments and Mortgage-Backed Securities	\$ 104,969,283	\$ 14,264,287	\$ 12,285,907	\$ 3,994,788	\$ 124,456,466	\$ 2,823,872	\$ 262,794,543

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

The following assets, reported at fair value and held by the Funds at September 30, 2019, were evaluated in accordance with GASB Statement No. 40 for interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Asset	General Fund	Single Family Program Funds			Multifamily Program Funds		Total
		1988 Collateralized Single Family Mortgage Revenue Bonds	1996 Single Family Mortgage Revenue Bonds	Series 2009 A-1 Single Family Housing Revenue Bonds (NIBP)	FHA-Insured Pass-Through Revenue Refunding Bonds (MFDP)	Multifamily Program Fund	
Cash and Cash Equivalents							
Non-Money Market Deposits	\$ 5,810,763	\$ -	\$ -	\$ -	\$ 2,081,218	\$ -	\$ 7,891,981
Demand Money Market Deposits	33,083,810	-	-	-	2,825,879	-	35,909,689
Money Market Funds	-	3,701,231	1,053,138	576,759	30,241,412	2,136,325	37,708,865
Total Cash and Cash Equivalents	38,894,573	3,701,231	1,053,138	576,759	35,148,509	2,136,325	81,510,535
Investments							
Certificates of Deposits	3,014,890	-	-	-	-	-	3,014,890
U.S. Treasury Obligations	289,309	-	-	-	-	-	289,309
Investment Agreements	-	10,000,000	339,428	-	86,940,000	-	97,279,428
Corporate Obligations	49,196,239	-	-	-	-	-	49,196,239
GSU Obligations	231,649	-	-	-	745,380	-	977,029
Total Investments	52,732,087	10,000,000	339,428	-	87,685,380	-	150,756,895
Mortgage-Backed Securities							
Ginnie Mae	1,551,401	25,096	3,041,452	3,700,769	-	-	8,318,718
Fannie Mae	3,099,830	-	3,043,662	585,228	-	-	6,728,720
Freddie Mac	-	-	5,955,651	-	-	-	5,955,651
Total Mortgage-Backed Securities	4,651,231	25,096	12,040,765	4,285,997	-	-	21,003,089
Total Cash, Investments and Mortgage-Backed Securities	\$ 96,277,891	\$ 13,726,327	\$ 13,433,331	\$ 4,862,756	\$ 122,833,889	\$ 2,136,325	\$ 253,270,519

Interest Rate Risk - Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Under the Revenue Obligation Funds, the terms of the investments are set to allow for no market value loss at the time the invested funds are drawn for uses authorized under the indentures. As a means of limiting its exposure to fair value losses from rising interest rates under the General Fund, the Agency's Investment Policy requires that the maturities of the investment portfolio are structured to be concurrent with cash needs in order to minimize losses that may be incurred from sale of investments prior to maturity. The money market funds operate in accordance with Rule 2a-7 of the Investment Company Act of 1940, as amended. These funds can reasonably be expected to have a fair value that will be unaffected by interest rate changes because the interest rates are variable and the principal can be recovered on demand. The cost of the money market mutual funds approximated fair value.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

As of September 30, 2020, the amortized cost, fair value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for the General Fund are as follows:

<u>General Fund as of September 30, 2020</u>		<u>Maturities (in years)</u>					
<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Non-Money Market Deposits	\$ 6,039,416	\$ 6,039,416	\$ 6,039,416	\$ -	\$ -	\$ -	\$ -
Demand Money Market Deposits	47,803,789	47,803,789	47,803,789	-	-	-	-
Total Cash and Cash Equivalents	<u>53,843,205</u>	<u>53,843,205</u>	<u>53,843,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Investments</u>							
Certificate of Deposit	4,071,609	4,071,609	3,048,917	1,022,692	-	-	-
U.S. Treasury Obligations	276,951	304,361	-	129,083	175,278	-	-
Municipal Obligations	4,790,000	4,789,378	599,962	4,189,416	-	-	-
Corporate Obligations	37,580,619	37,897,579	20,523,806	15,745,083	1,628,690	-	-
GSE Obligations	1,324,329	1,337,164	50,104	1,185,326	101,734	-	-
Total Investments	<u>48,043,508</u>	<u>48,400,091</u>	<u>24,222,789</u>	<u>22,371,600</u>	<u>1,905,702</u>	<u>-</u>	<u>-</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	1,038,844	1,095,678	-	-	-	-	1,095,678
Fannie Mae	1,531,881	1,630,309	-	-	-	-	1,630,309
Total Mortgage-Backed Securities	<u>2,570,725</u>	<u>2,725,987</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,725,987</u>
General Fund Total Cash and Investments	<u>\$ 104,457,438</u>	<u>\$ 104,969,283</u>	<u>\$ 78,065,994</u>	<u>\$ 22,271,600</u>	<u>\$ 1,905,702</u>	<u>\$ -</u>	<u>\$ 2,725,987</u>

As of September 30, 2019, the amortized cost, fair value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for the General Fund were as follows:

<u>General Fund as of September 30, 2019</u>		<u>Maturities (in years)</u>					
<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Non-Money Market Deposits	\$ 5,810,763	\$ 5,810,763	\$ 5,810,763	\$ -	\$ -	\$ -	\$ -
Demand Money Market Deposits	33,083,810	33,083,810	33,083,810	-	-	-	-
Total Cash and Cash Equivalents	<u>38,894,573</u>	<u>38,894,573</u>	<u>38,894,573</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Investments</u>							
Certificates of Deposits	3,014,890	3,014,890	3,014,890	-	-	-	-
U.S. Treasury Obligations	276,951	289,309	-	126,963	162,346	-	-
Corporate Obligations	48,818,847	49,196,239	29,003,058	18,658,218	1,534,963	-	-
GSE Obligations	234,329	231,649	-	231,649	-	-	-
Total Investments	<u>52,335,017</u>	<u>52,732,087</u>	<u>32,017,948</u>	<u>19,016,830</u>	<u>1,697,309</u>	<u>-</u>	<u>-</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	1,495,078	1,551,401	-	-	-	-	1,551,401
Fannie Mae	3,004,554	3,099,830	-	-	-	-	3,099,830
Total Mortgage-Backed Securities	<u>4,499,632</u>	<u>4,651,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,651,231</u>
General Fund Total Cash and Investments	<u>\$ 95,729,222</u>	<u>\$ 96,277,891</u>	<u>\$ 70,912,521</u>	<u>\$ 19,016,830</u>	<u>\$ 1,697,309</u>	<u>\$ -</u>	<u>\$ 4,651,231</u>

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

As of September 30, 2020, the amortized cost, fair value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for the Combined Revenue Obligation Funds are as follows:

Combined Revenue Obligation Funds as of September 30, 2020

Asset	Cost	Fair Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
Cash and Cash Equivalents							
Non-Money Market Deposits	\$ 4	\$ 4	\$ 4	\$ -	\$ -	\$ -	\$ -
Demand Money Market Deposits	3,195,396	3,195,396	3,195,396	-	-	-	-
Money Market Funds	17,555,160	17,555,160	17,555,160	-	-	-	-
Total Cash and Cash Equivalents	20,750,560	20,750,560	20,750,560	-	-	-	-
Investments							
Certificate of Deposit	-	-	-	-	-	-	-
U.S. Treasury Obligations	-	-	-	-	-	-	-
Municipal Obligations	-	-	-	-	-	-	-
Investment Agreements	122,376,088	122,360,163	-	112,360,163	10,000,000	-	-
Corporate Obligations	-	-	-	-	-	-	-
GSE Obligations	689,822	813,234	-	-	813,234	-	-
Total Investments	123,065,910	123,173,397	-	112,360,163	10,813,234	-	-
Mortgage-Backed Securities							
Ginnie Mae	4,844,827	5,216,221	2,296	718,130	342,470	800,885	3,352,440
Fannie Mae	2,815,918	3,070,840	-	27,715	30,194	-	3,012,931
Freddie Mac	5,011,218	5,614,242	-	-	-	-	5,614,242
Total Mortgage-Backed Securities	12,671,963	13,901,303	2,296	745,845	372,664	800,885	11,979,613
Combined Revenue Obligation Funds							
Total Cash, Investments and Mortgage-Backed Securities	\$ 156,488,433	\$ 157,825,260	\$ 20,752,856	\$ 113,106,008	\$ 11,185,898	\$ 800,885	\$ 11,979,613

As of September 30, 2019, the amortized cost, fair value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for the Combined Revenue Obligation Funds were as follows:

Combined Revenue Obligation Funds as of September 30, 2019

Asset	Cost	Fair Value	Maturities (in years)				
			Less than 1	From 1 Up To 5	From 5 Up To 10	From 10 Up To 15	15 and More
Cash and Cash Equivalents							
Non-Money Market Deposits	\$ 2,081,218	\$ 2,081,218	\$ 2,081,218	\$ -	\$ -	\$ -	\$ -
Demand Money Market Deposits	2,825,879	2,825,879	2,825,879	-	-	-	-
Money Market Funds	37,708,865	37,708,865	37,708,865	-	-	-	-
Total Cash and Cash Equivalents	42,615,962	42,615,962	42,615,962	-	-	-	-
Investments							
Certificates of Deposits	-	-	-	-	-	-	-
U.S. Treasury Obligations	-	-	-	-	-	-	-
Investment Agreements	112,496,377	97,279,428	-	86,940,000	10,000,000	-	339,428
GSE Obligations	689,822	745,380	-	-	745,380	-	-
Total Investments	113,186,199	98,024,808	-	86,940,000	10,745,380	-	339,428
Mortgage-Backed Securities							
Ginnie Mae	16,799,448	6,767,317	32,024	499,172	895,188	1,072,151	4,268,782
Fannie Mae	10,563,414	3,628,890	-	-	68,178	-	3,560,712
Freddie Mac	5,439,511	5,955,651	-	-	-	-	5,955,651
Total Mortgage-Backed Securities	32,802,373	16,351,858	32,024	499,172	963,366	1,072,151	13,785,145
Combined Revenue Obligation Funds							
Total Cash, Investments and Mortgage-Backed Securities	\$ 188,604,534	\$ 156,992,628	\$ 42,647,986	\$ 87,439,172	\$ 11,708,746	\$ 1,072,151	\$ 14,124,573

As of September 30, 2020 and 2019, the amortized cost, fair value and maturities for the cash, cash equivalents, investments and mortgage-backed securities for each Revenue Obligation Fund are included as Supplemental Information to these financial statements.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

Custodial Credit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Agency’s deposits may not be returned to it. The Agency does not have a deposit policy for custodial credit risk. As of September 30, 2020, \$59,860,214 of the Agency’s bank balance of \$61,110,214 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 16,698,494
Uninsured and collateral held by pledging bank	43,161,720
 Total	 \$ 59,860,214

Credit Risk and Concentration of Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. All of General Fund cash and investments are either collateralized, FDIC-insured, or invested in the U.S. Government, U.S. Government Agency or government-sponsored enterprises or highly rated corporate debt securities. In general all investment securities under the Revenue Obligation Funds must be at a rating not adversely affecting the rating of the respective bonds; and financial institutions who are counterparty to the Agency must be rated at least comparable to the existing rating on the Agency’s bonds, unless counterparty ratings lower than the bond ratings are permitted in a specific indenture and do not affect the ratings on the bonds as determined at the time the investment securities are acquired or investment agreements are executed. The ratings on the 1996 Single Family Mortgage Revenue Bonds and 1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2020 and 2019 were AA+ by Standard and Poor’s. All multifamily bond indentures under the Multifamily Development and Multifamily Programs were rated by Moody’s or Standard and Poor’s at various levels depending on the credit quality of the underlying collateral or were unrated private placements where investment ratings conformed to the specific bond investor requirements.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

As of September 30, 2020, the credit quality and percentages of the total portfolio of cash equivalents and investments under the Agency's General Fund are as follows:

General Fund as of September 30, 2020

Asset	Fair Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating / Supporting Collateral
<u>Cash and Cash Equivalents</u>					
Non-Money Market Deposits	\$ 6,039,416	5.8%	Not Rated		Third Party-Held Aaa Collateral
Demand Money Market Deposits	34,050,691	32.4%	Not Rated		Federal Reserve-Held Aaa Collateral
Demand Money Market Deposits	13,753,098	13.1%	P-1	Moody's	
Total Cash and Cash Equivalents	53,843,205	51.3%			
<u>Investments</u>					
Certificate of Deposit	4,071,609	3.9%	Not Rated		Federal Reserve-Held Aaa Collateral
U.S. Treasury Obligations	304,361	0.3%	Aaa	Moody's	
Municipal Obligations	652,546	0.6%	Aa1	Moody's	
Municipal Obligations	4,136,833	3.9%	Aa2	Moody's	
Corporate Obligations	114,259	0.1%	Aaa	Moody's	
Corporate Obligations	323,164	0.3%	Aa1	Moody's	
Corporate Obligations	1,745,057	1.7%	Aa2	Moody's	
Corporate Obligations	4,341,875	4.1%	Aa3	Moody's	
Corporate Obligations	2,873,622	2.7%	A1	Moody's	
Corporate Obligations	17,324,146	16.6%	A2	Moody's	
Corporate Obligations	9,686,173	9.2%	A3	Moody's	
Corporate Obligations	111,507	0.1%	Baa1	Moody's	
Corporate Obligations	1,377,775	1.3%	Baa2	Moody's	
GSE Obligations	1,337,164	1.3%	Aaa	Moody's	
Total Investments	48,400,091	46.1%			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	1,095,678	1.0%	Aaa	Moody's	
Fannie Mae	1,630,309	1.6%	Aaa	Moody's	
Total Investments	2,725,987	2.6%			
General Fund Total Cash, Investments and Mortgage-Backed Securities	\$ 104,969,283	100.00%			

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

As of September 30, 2019, the credit quality and percentages of the total portfolio of cash equivalents and investments under the Agency's General Fund were as follows:

General Fund as of September 30, 2019

Asset	Fair Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating / Supporting Collateral
Cash and Cash Equivalents					
Non-Money Market Deposits	\$ 5,810,763	6.0%	Not Rated		Third Party-Held Aaa Collateral
Demand Money Market Deposits	27,600,661	28.7%	Not Rated		Federal Reserve-Held Aaa Collateral
Demand Money Market Deposits	5,483,149	5.7%	P-1	Moody's	
Total Cash and Cash Equivalents	38,894,573	40.4%			
Investments					
Certificates of Deposits	3,014,890	3.1%	Not Rated		Federal Reserve-Held Aaa Collateral
U.S. Treasury Obligations	289,309	0.3%	Aaa	Moody's	
Corporate Obligations	212,666	0.2%	Aaa	Moody's	
Corporate Obligations	211,573	0.2%	Aa1	Moody's	
Corporate Obligations	2,727,819	2.8%	Aa2	Moody's	
Corporate Obligations	6,583,780	6.8%	Aa3	Moody's	
Corporate Obligations	9,013,890	9.4%	A1	Moody's	
Corporate Obligations	24,032,099	25.1%	A2	Moody's	
Corporate Obligations	4,213,261	4.4%	A3	Moody's	
Corporate Obligations	2,201,151	2.3%	Baa1	Moody's	
GSE Obligations	231,649	0.2%	Aaa	Moody's	
Total Investments	52,732,087	54.8%			
Mortgage-Backed Securities					
Ginnie Mae	1,551,401	1.6%	Aaa	Moody's	
Fannie Mae	3,099,830	3.2%	Aaa	Moody's	
Total Investments	4,651,231	4.8%			
General Fund Total Cash, Investments and Mortgage-Backed Securities	\$ 96,277,891	100.0%			

As of September 30, 2020, the credit quality and percentages of the total portfolio of cash equivalents, investments and mortgage-backed securities under the Revenue Obligation Funds are as follows:

Combined Revenue Obligation Funds as of September 30, 2020

Asset	Fair Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating / Supporting Collateral
Cash and Cash Equivalents					
Non-Money Market Deposits	\$ 4	0.0%	Not Rated		Uncollateralized, Uninsured
Demand Money Market Deposits	3,195,396	2.0%	P1	Moody's	
Money Market Funds	17,555,160	11.1%	Aaa-mf	Moody's	
Total Cash and Cash Equivalents	20,750,560	13.1%			
Investments					
Investment Agreements	109,835,163	69.6%	Aa2	Moody's	
Investment Agreements	12,525,000	7.9%	Not Rated		
GSE Obligations	813,234	0.5%	Aaa	Moody's	
Total Investments	123,173,397	78.0%			
Mortgage-Backed Securities					
Ginnie Mae	5,216,221	3.3%	Aaa	Moody's	
Fannie Mae	3,070,840	1.9%	Aaa	Moody's	
Freddie Mae	5,614,242	3.6%	Aaa	Moody's	
Total Mortgage-Backed Securities	13,901,303	8.8%			
Combined Revenue Obligation Funds Total Cash, Investments and Mortgage-Backed Securities	\$ 157,825,260	100.00%			

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

As of September 30, 2019, the credit quality and percentages of the total portfolio of cash equivalents, investments and mortgage-backed securities under the Revenue Obligation Funds were as follows:

Combined Revenue Obligation Funds as of September 30, 2019

Asset	Fair Value	Percentage of Total Investments	Credit Rating	Rating Agency	Underlying Securities Credit Rating / Supporting Collateral
<u>Cash and Cash Equivalents</u>					
Non-Money Market Deposits	\$ 2,081,218	1.3%	Not Rated		Uncollateralized, Uninsured
Demand Money Market Deposits	2,825,879	1.8%	P1	Moody's	
Money Market Funds	37,708,865	24.0%	Aaa-mf	Moody's	
Total Cash and Cash Equivalents	<u>42,615,962</u>	<u>27.1%</u>			
<u>Investments</u>					
Certificate of Deposits		0.0%	Not Rated		Federal Reserve-Held Aaa Collateral
U.S. Treasury Obligations		0.0%	Aaa	Moody's	
Investment Agreements	84,415,000	53.8%	Aa2	Moody's	
Investment Agreements	339,428	0.2%	Aa3	Moody's	
Investment Agreements		0.0%	Baa1	Moody's	
Investment Agreements	12,525,000	8.0%	Not Rated		
GSE Obligations	745,380	0.5%	Aaa	Moody's	
Total Investments	<u>98,024,808</u>	<u>62.5%</u>			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	6,767,317	4.3%	Aaa	Moody's	
Fannie Mae	3,628,890	2.3%	Aaa	Moody's	
Freddie Mac	5,955,651	3.8%	Aaa	Moody's	
Total Mortgage-Backed Securities	<u>16,351,858</u>	<u>10.4%</u>			
<u>Combined Revenue Obligation Funds</u>					
Total Cash, Investments and Mortgage-Backed Securities	<u>\$ 156,992,628</u>	<u>100.0%</u>			

The cash and cash equivalents, investment and mortgage-backed security portfolio with breakdown by credit quality and percentage of total portfolio for each of the Revenue Obligation Funds at September 30, 2020 and 2019 are listed as Supplemental Information to these financial statements.

Cash and Cash Equivalents - The Agency's combined cash and cash equivalents balance as of September 30, 2020 and 2019 consists primarily of amounts held in fully collateralized demand deposit bank accounts under the General Fund and in highly rated money market fund trust accounts set up for each revenue bond indenture and Certificates of Participation and administered by the Agency's bond trustees. The collateral for the demand deposits is held by either the Federal Reserve Bank or a third-party, as a collateral agent under the tri-party agreements.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

Investments - The Agency follows the Investment Policy guidelines with regard to its General Fund financial assets and Revenue Obligation Fund indentures. The policy states that the Agency financial assets shall be held in cash and cash equivalents or invested and managed with the intention of obtaining the highest possible total return consistent with the Agency's liquidity needs and a prudent level of investment risk. Under the bond programs and Certificates of Participation, the permitted investments are stipulated in the respective covenants of the indentures of trust.

Investments of proceeds from bond issuances in investment agreements are governed by the covenants of the respective indentures of trust entered between the Agency, the trustee and the investment agreement provider. All investment agreements are fixed interest rate investment contracts with rated financial institutions. In case of a downgrade beyond a preset threshold, the investment providers are required to collateralize both principal and interest with qualifying securities to be held by a designated collateral agent with mark to market and undervalue cure provisions.

Investments in money market funds are short-term in nature and are held by bond trustees for the benefit of the respective indentures. They carry the highest short-term credit ratings by nationally recognized statistical rating agencies, such as Standard & Poor's and Moody's Investors Service. Investments in the U.S. Treasury securities are guaranteed by the full faith and credit of the United States Government.

Mortgage-backed Securities - Ginnie Mae mortgage-backed securities are guaranteed by the Government National Mortgage Association ("Ginnie Mae or GNMA"), an instrumentality of the United States Government. GNMA securities are "fully modified pass-through" mortgage-backed securities which require monthly payments by an FHA lender, as the issuer of the Guaranteed Security to the Agency. GNMA guarantees timely payment of principal and interest on Guaranteed Securities.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

Fannie Mae and Freddie Mac mortgage-backed pass-through securities are top-rated by Standard & Poor's and Moody's Investors Service. The principal and interest payment on these mortgage-backed securities are guaranteed by Fannie Mae and Freddie Mac, accordingly. Though there is no explicit guarantee that Fannie Mae and Freddie Mac mortgage-backed securities are backed by the full faith and credit of the U.S. Government, there is, however, an implicit guarantee, as government-sponsored enterprises are chartered by the U.S. Congress. In 2008 both Freddie Mac and Fannie Mae were placed into the U.S. Government conservatorship. The rating agencies continue to assign high credit ratings to both of these entities.

Ginnie Mae, Fannie Mae and Freddie Mac mortgage-backed securities are reported at their market values in accordance with GASB Statement No. 31. It is the intention of the Agency and the indentures to hold these mortgage-backed securities until the underlying loans are paid in full, or, if allowed, until the respective bonds become optionally redeemable and the sale of these securities does not negatively affect the indenture cash flows.

For the years ended September 30, 2020 and 2019, under the Agency's Single Family Program Fund, \$145,135 and \$94,596, respectively, of non-operating revenue was recorded in the Statement of Revenues, Expenses and Change in Net Position to record the unrealized gain in the fair market value of the Fund's mortgage-backed security and investment portfolio.

For the year ended September 30, 2020, under the Agency's Single Family NIBP Fund, \$10,578 of non-operating expense was recorded in the Statement of Revenues, Expenses and Change in Net Position to record the unrealized loss in the fair market value of the Fund's mortgage-backed security and investment portfolio. For the year ended September 30, 2019, under the same fund, non-operating revenue of \$149,361 was recorded due to an increase in the unrealized gain in the fair market value of the Fund's mortgage-backed security and investment portfolio.

For the years ended September 30, 2020 and 2019, under the Agency's Multifamily Development Program Fund, \$51,927 and \$68,231, respectively, of non-operating revenue was recorded in the Statement of Revenues, Expenses and Change in Net Position to record the unrealized gain in the fair market value of the Fund's mortgage-backed security and investment portfolio.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

For the year ended September 30, 2020, under the Agency's General Fund, \$42,185 of non-operating expense was recorded in the Statement of Revenues, Expenses and Change in Net Position to record the unrealized loss in the fair market value of the Fund's mortgage-backed security and investment portfolio. For the year ended September 30, 2019, under the same fund, non-operating revenue of \$614,075 was recorded due to an increase in the unrealized gain in the fair market value of the Fund's mortgage-backed security and investment portfolio.

Investments in Joint Ventures - DCHFA established the Housing Investment Platform ("HIP") in June 2017 to make innovative investments in support of the District of Columbia housing market outside of its traditional bond and tax credit financing. The investments are targeted towards developing workforce housing by partnering with emerging developers. DCHFA is the sole member of the DCHFA HIP Manager, LLC, which is the general partner of the DC Housing Investment Platform, LP. DC Housing Investment Platform LP is the limited partner in the ultimate development entity. The general partner agreed to contribute up to \$500 to the capital partnership. The limited partner agreed to contribute up to \$5,000,000 to the capital of the partnership in one or more pro rata installments. DCHFA Housing Investment Platform LP closed on one investment during fiscal year 2020 and two investments during 2019. As of the end of fiscal year 2020 and 2019, the fund has approximately 100 units in various stages of development. As of September 30, 2020 and 2019, the investment in joint ventures totaled \$885,532 and \$1,081,539, respectively.

Fair Value of Investments

The Agency has adopted GASB No. 72, *Fair Value Measurement and Application*. This statement establishes a hierarchy of inputs to valuation techniques used to measure fair value:

- Level 1 - quoted market prices in active markets.
- Level 2 - inputs other than quoted market prices that are observable either directly or indirectly.
- Level 3 - unobservable inputs.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 3: CASH/CASH EQUIVALENTS, INVESTMENTS AND MORTGAGE-BACKED SECURITIES (Continued)

As of September 30, 2020, the following table presents the investments that the Agency measured at fair value:

	Total	Level 1	Level 2	Level 3
Certificates of Deposit	\$ 4,071,609	\$ -	\$ 4,071,609	\$ -
Investment Agreements	122,360,163	-	122,360,163	-
Corporate Obligations	37,897,579	-	37,897,579	-
Municipal Obligations	4,789,378	-	4,789,378	-
GSE Obligations	2,150,398	-	2,150,398	-
U.S. Treasury Obligations	304,361	304,361	-	-
Mortgage Backed Securities	16,627,290	-	16,627,290	-
Total Investments and MBS	\$ 188,200,778	\$ 304,361	\$ 187,896,417	\$ -

As of September 30, 2019, the following table presents the investments that the Agency measured at fair value:

	Total	Level 1	Level 2	Level 3
Certificates of Deposits	\$ 3,014,890	\$ -	\$ 3,014,890	\$ -
Investment Agreements	97,279,428	-	97,279,428	-
Corporate Obligations	49,196,239	-	49,196,239	-
GSE Obligations	977,029	-	977,029	-
U.S. Treasury Obligations	289,309	289,309	-	-
Mortgage Backed Securities	21,003,089	-	21,003,089	-
Total Investments and MBS	\$ 171,759,984	\$ 289,309	\$ 171,470,675	\$ -

Debt securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

- Amounts invested in U.S. treasury securities are comprised of securities valued using quoted market prices (Level 1) which are then allocated to position holders. These funds are required to publish their daily net asset value and to transact at that price.
- Amounts invested in certificates of deposits, investment agreements, corporate obligations, municipal obligations, GSE obligations and mortgage backed securities are comprised of securities which are priced by industry standard vendors, using observable inputs such as benchmark yields, reported trades broker/dealer quotes, and issuer spreads (Level 2) which are then allocated to position holders at a per unit value.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 4: MORTGAGE AND CONSTRUCTION LOANS RECEIVABLE

Multifamily mortgage and construction loans receivable are assets under the Multifamily Development Program secured by deeds of trust evidencing first mortgage liens on related real property. These loans are insured by the FHA, and the Agency through the Risk-Share Program. Fixed and periodic variable interest rates on these construction loans as of September 30, 2020 range from 4.2% to 6.9% with a loan repayment period of up to 40 years.

During fiscal year 2019, the Agency funded subordinate lien forgivable 0% non-amortizing down-payment assistance loans in connection with the purchased and sold first lien loans under its General Fund. Due to the low likelihood of recovery for any of these loan amounts, the Agency recorded an allowance equivalent to the original loan amounts. Starting on September 9, 2019, the Agency discontinued the forgivable 0% non-amortizing down-payment assistance loan program and launched a new 0% fixed rate non-amortizing down-payment assistance loan program. The new program is a deferred loan that will become immediately due and payable upon the occurrence of specific events as defined in the Loan Disclosure document(s) of the DC Open Doors Down Payment Assistance Loan program. The amount of the forgivable loans and the corresponding allowance under the old program as of September 30, 2020 and 2019 was \$1,613,249 and \$3,797,051, respectively. The amount of the deferred loans under the new program as of September 30, 2020 and 2019, was \$2,320,786 and \$-0-, respectively.

Combined restricted mortgage and construction loans as of September 30, 2020 and 2019 were \$173,177,570 and \$124,007,562, respectively. For the years ended September 30, 2020 and 2019, there was no allowance for bond program loan losses under the Agency Revenue Obligation Funds.

As part of its General Fund operations, the Agency performs loan servicing under the risk-sharing agreement with HUD, where HUD pays 100.0% of the amount needed to retire bonds issued in connection with a defaulted risk-share loan at the time of the initial claim. Any loss at the time of final claim on a defaulted multifamily project is risk-shared between FHA at 90.0% and the Agency at 10.0%. The most recent program enhancement allows the Agency to share losses on a 50%/50% basis with FHA. As of September 30, 2020, the HUD Risk-Share Reserve funds had a balance of \$2.7 million and the outstanding principal balance of the risk-share insured loans on 18 active projects comprised of 20 loans was \$170.4 million. As of September 30, 2019, the HUD Risk-Share Reserve funds had a balance of \$2.7 million and the outstanding principal balance of the risk-share insured loans on 18 active projects comprised of 20 loans was \$123.6 million.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 4: MORTGAGE AND CONSTRUCTION LOANS RECEIVABLE (Continued)

In addition to its bond programs, within its General Fund the Agency administers the McKinney Act Program. Under its McKinney Act Program, the Agency originates predevelopment McKinney Act bridge loans to finance acquisition, predevelopment and rehabilitation costs associated with multifamily housing developments applying for bond financing with the Agency. These loans are typically unenhanced loans repaid at the time the bond financing is put in place. At September 30, 2020, the balance of total loans outstanding, before the allowance for uncollectible loans, was \$6,280,514, including \$882,086 in loans at various stages of default process. At September 30, 2019, the balance of total loans outstanding was \$4,315,814, of which \$603,627 was attributed to loans at various stages of default process.

The Agency recorded an allowance for uncollectible McKinney Act Program loans for the years ended September 30, 2020 and 2019 in the amount of \$882,086 and \$603,627, respectively. The Agency recorded a net increase in the allowance for principal loss on McKinney Act Program loans during the year ended September 30, 2020 for an allowance of bad debt in the amount of \$278,459. The Agency recorded a net decrease in the allowance for principal loss on McKinney Act Program loans during the year ended September 30, 2019 for recovery of bad debt in the amount of \$23,371.

	2020	2019
Beginning balance	\$ 603,627	\$ 626,998
Net increase (decrease) in allowance for uncollectible loans	278,459	(23,371)
Ending balance	<u>\$ 882,086</u>	<u>\$ 603,627</u>

For the years ended September 30, 2020 and 2019, the respective balances and changes in the provision for uncollectible interest on the McKinney Act loans under the General Fund were as follows:

	2020	2019
Beginning balance	\$ 341,357	\$ 306,961
Net (decrease) increase in allowance for uncollectible interest	(31,853)	34,396
Ending balance	<u>\$ 309,504</u>	<u>\$ 341,357</u>

In addition to the reserves noted above for McKinney Act loans, the Agency also has an allowance for down payment assistance associated with forgivable single family loans as well as multi-family loans that are held on balance sheet (e.g. HUD risk share loans).

The Agency's allowance for doubtful accounts policy is to charge expenses for estimated probable losses which are established as an allowance for loan losses. The allowance is an amount that management believes will be adequate to absorb

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 4: MORTGAGE AND CONSTRUCTION LOANS RECEIVABLE (Continued)

losses inherent in existing loans based on evaluations of collectability and prior loss experience as well as a competitive benchmarking study.

Until September 9, 2019, DCHFA's down payment assistance core product was a 5-year forgivable 0% interest rate loan. The Agency reserved for the full amount of the down payment assistance at loan inception and then booked recoveries to the extent that borrowers paid off the loan within the 5-year forgiveness period. As of September 30, 2020 and 2019, the Agency has \$1.6 million and \$3.8 million in reserves, respectively.

For the multi-family loan portfolio, the Agency has \$17.9 million of exposure after consideration for HUD risk share. In total, DCHFA has 16 active risk share loans. For 15 loans, the risk share exposure is 10% or \$5.5 million. The remaining loan has a 50% risk share exposure leaving DCHFA's exposure at \$12.4 million.

NOTE 5: CAPITAL ASSETS

The following is the detail of changes in capital assets during the year ended September 30, 2020:

	September 30, 2019	Additions /Dispositions	September 30, 2020
Non-depreciable capital assets			
Land	\$ 573,000	-	\$ 573,000
Total non-depreciable assets	<u>573,000</u>	<u>-</u>	<u>573,000</u>
Depreciable capital assets			
Building	3,540,523	-	3,540,523
Less: accumulated depreciation	(2,672,205)	(131,131)	(2,803,336)
Building net of accumulated depreciation	<u>868,318</u>	<u>(131,131)</u>	<u>737,187</u>
Furniture and equipment	1,428,780	94,780	1,523,560
Less: accumulated depreciation	(1,064,263)	(24,837)	(1,089,100)
Furniture and equipment net of accumulated depreciation	<u>364,517</u>	<u>69,943</u>	<u>434,460</u>
Total Building, furniture and equipment	4,969,303	94,780	5,064,083
Less: accumulated depreciation	(3,736,468)	(155,969)	(3,892,437)
Total Building, furniture and equipment, net of accumulated depreciation	<u>1,232,835</u>	<u>(61,189)</u>	<u>1,171,646</u>
Software	1,547,677	273,477	1,821,154
Less: accumulated amortization	(778,476)	(230,658)	(1,009,134)
Software net of accumulated amortization	<u>769,201</u>	<u>42,819</u>	<u>812,020</u>
Total capital assets	7,089,980	368,257	7,458,237
Less: accumulated depreciation and amortization	(4,514,944)	(386,627)	(4,901,571)
Total capital assets, net of accumulated depreciation and amortization	<u>\$ 2,575,036</u>	<u>\$ (18,370)</u>	<u>\$ 2,556,666</u>

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 5: CAPITAL ASSETS (Continued)

The following is the detail of changes in capital assets during the year ended September 30, 2019:

	September 30, 2018	Additions /Dispositions	September 30, 2019
Non-depreciable capital assets			
Land	\$ 573,000	\$ -	\$ 573,000
Total non-depreciable assets	<u>573,000</u>	<u>-</u>	<u>573,000</u>
Depreciable capital assets			
Building	3,540,523	-	3,540,523
Less: accumulated depreciation	(2,541,075)	(131,130)	(2,672,205)
Building net of accumulated depreciation	<u>999,448</u>	<u>(131,130)</u>	<u>868,318</u>
Furniture and equipment	2,108,101	(679,321)	1,428,780
Less: accumulated depreciation	(1,854,646)	790,383	(1,064,263)
Furniture and equipment net of accumulated depreciation	<u>253,455</u>	<u>111,062</u>	<u>364,517</u>
Total Building, furniture and equipment	5,648,624	(679,321)	4,969,303
Less: accumulated depreciation	(4,395,721)	659,253	(3,736,468)
Total Building, furniture and equipment, net of accumulated depreciation	<u>1,252,903</u>	<u>(20,068)</u>	<u>1,232,835</u>
Software	1,291,677	256,000	1,547,677
Less: accumulated amortization	(564,694)	(213,782)	(778,476)
Software net of accumulated amortization	<u>726,983</u>	<u>42,218</u>	<u>769,201</u>
Total capital assets	7,513,301	(423,321)	7,089,980
Less: accumulated depreciation and amortization	(4,960,415)	445,471	(4,514,944)
Total capital assets, net of accumulated depreciation and amortization	<u>\$ 2,552,886</u>	<u>\$ 22,150</u>	<u>\$ 2,575,036</u>

Depreciation and amortization expense for fiscal years 2020 and 2019 was \$386,627 and \$427,911, respectively.

NOTE 6: BONDS PAYABLE AND OTHER DEBT OBLIGATIONS

The loans, bonds and notes issued by the Agency are special obligations of the Agency and are payable from the revenue and special funds of the applicable indentures. The bonds and notes do not constitute debt of and are not guaranteed by the District or any other program of the District. All mortgage revenue bond multifamily projects financed to date have been issued by the Agency as stand-alone pass-through financings with no direct economic recourse to the Agency as the issuer.

The provisions of the various bond indentures require or allow for the special redemption of bonds at par through the use of unexpended bond proceeds and excess funds accumulated primarily through prepayment of mortgage loans and mortgage-backed securities. All outstanding bonds are subject to redemption at the option of the Agency or the borrower, in whole or in part at any time, after certain dates, as specified in the respective bond indentures and bond resolutions, at prescribed redemption prices. The redemption premiums can range up to 5.0%.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 6: BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (Continued)

Under the Multifamily Programs, this option generally cannot be exercised until the bonds have been outstanding for ten years as provided in the various indentures. Term bonds are generally subject to redemption, without premium, from mandatory sinking fund payments.

Bonds issued to provide financing for the Agency's housing programs are collateralized by:

- Mortgage-backed securities made in connection with underlying loans.
- Mortgage loans made on the related multifamily developments or single family residential mortgage loans purchased.
- Investments of bond proceeds, debt service reserves and escrow accounts, all revenues, mortgage payments, and recovery payments received by the Agency from investments, mortgage loans and mortgage-backed securities made on the related developments and pledged to the respective trust indentures.

The following is a summary of the bond and debt activity for the year ended September 30, 2020 and the debt outstanding and loans, bonds and certificates of participation payable as of September 30, 2020:

General Fund	Range of Interest Rates	Range of Maturities	Debt Activity				Debt Outstanding at 9/30/2020	Premium (+) / Discount (-)	Bonds Payable at 9/30/2020	Due Within One Year
			Debt Outstanding at 9/30/2019	New Obligations	Scheduled Maturity Payments	Obligations Paid				
PNC Bank Credit Line	Variable	2020	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	
Total			\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ -	\$ -	\$ -	
Industrial Bank Credit Line	Variable	2020	\$ 1,492,486	\$ 656,000	\$ -	\$ 108,591	\$ 2,047,815	\$ -	\$ 2,047,815	
Total			\$ 1,492,486	\$ 656,000	\$ -	\$ 108,591	\$ 2,047,815	\$ -	\$ 2,047,815	
Credit Line Totals			\$ 3,492,486	\$ 656,000	\$ -	\$ 216,951	\$ 2,047,815	\$ -	\$ 2,047,815	
			Bond Activity				Debt Outstanding at 9/30/2020	Premium (+) / Discount (-)	Bonds Payable at 9/30/2020	Due Within One Year
			Debt Outstanding at 9/30/2019	New Bonds Issued	Scheduled Maturity Payments	Bonds Refunded				
1988 Single Family Mortgage Revenue Bonds										
1988 Series E-4	4.77%	2026	\$ 860,000	\$ -	\$ -	\$ 88,000	\$ 780,000	\$ 147,411	\$ 732,589	
Total			\$ 860,000	\$ -	\$ -	\$ 88,000	\$ 780,000	\$ 147,411	\$ 732,589	
1986 Single Family Mortgage Revenue Bonds										
2006 Series D	4.60%	2020	\$ 35,000	\$ -	\$ 20,000	\$ 15,000	\$ -	\$ -	\$ -	
2006 Series E	4.65%	2037	\$ 3,040,000	\$ -	\$ -	\$ 1,672,000	\$ 1,368,000	\$ -	\$ 1,368,000	
Total			\$ 3,075,000	\$ -	\$ 20,000	\$ 1,687,000	\$ 1,368,000	\$ -	\$ 1,368,000	
Single Family New Issue Bond Program										
2009 Series A-1	2.49%	2020-2041	\$ 3,560,000	\$ -	\$ 145,000	\$ 705,000	\$ 3,110,000	\$ -	\$ 3,110,000	
Total			\$ 3,560,000	\$ -	\$ 145,000	\$ 705,000	\$ 3,110,000	\$ -	\$ 3,110,000	
Combined Single Family Indentures Total			\$ 7,895,000	\$ -	\$ 165,000	\$ 2,475,000	\$ 5,255,000	\$ 147,411	\$ 5,297,589	

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 6: BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (Continued)

Project Name	Range of Interest Rates	Range of Maturities	Debt Outstanding at 9/30/2019	Debt Activity			Debt Outstanding at 9/30/2019	Premium (+) / Discount (-)	Bonds Payable at 9/30/2019	Due Within One Year
				New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed/Adjustment				
MF Development Program										
Series 2017 Pass Through Refunding (Trusts)	5.2%	2049	\$ 21,276,778	\$ -	\$ -	\$ -	\$ 448,000	\$ 22,724,778	\$ -	\$ 22,724,778
Series 2018 A Residential Condo Apartments	1.80% - 4.37%	2020 - 2029	21,110,000	-	26,000	-	-	24,830,000	-	24,830,000
Series 2018 B-1 Debt Truents and Capital Vets	Variable	2022	34,393,000	-	-	-	-	34,393,000	-	34,393,000
Series 2018 B-2 Debt Truents and Capital Vets	3.50% - 4.10%	2022 - 2028	40,928,000	-	-	-	-	40,928,000	-	40,928,000
Series 2019 A-1 A-2 Petworth	Variable	2023 - 2040	12,225,000	-	-	-	-	12,225,000	-	12,225,000
Series 2019 B-1 B-2 Bonds H&B	Variable	2022 - 2039	25,420,000	-	-	-	-	25,420,000	-	25,420,000
Total			\$ 116,080,778	\$ -	\$ 26,000	\$ -	\$ 448,000	\$ 139,824,778	\$ -	\$ 139,824,778
MF Program										
DCCI Fund - Field Street	5.75%	2020 - 2039	\$ 1,280,000	\$ -	\$ 20,000	\$ -	\$ -	\$ 1,275,000	\$ -	\$ 1,275,000
DCCI Fund - Capital Street	5.75%	2020 - 2039	1,810,000	-	20,000	-	-	900,000	-	900,000
DCFA Pass Through Refunding	3.80%	2020 - 2045	31,220,000	-	70,000	668,711	-	32,030,000	1,188,400	29,841,600
Total			\$ 33,910,000	\$ -	\$ 110,000	\$ 668,711	\$ -	\$ 33,930,000	\$ 1,188,400	\$ 32,641,600
Combined MF Program			\$ 150,000,000	\$ -	\$ 1,120,000	\$ 1,168,711	\$ -	\$ 173,754,778	\$ 1,188,400	\$ 172,466,378
Bonds Total			\$ 281,691,823	\$ -	\$ 1,287,000	\$ 1,638,311	\$ 497,833,871	\$ 1,238,988	\$ 497,997,763	\$ 1,588,668

The following is a summary of the bond and debt activity for the year ended September 30, 2019 and the debt outstanding and bonds and certificates of participation payable as of September 30, 2019:

General Fund	Range of Interest Rates	Range of Maturities	Debt Outstanding at 9/30/2019	Debt Activity			Debt Outstanding at 9/30/2019	Premium (+) / Discount (-)	Bonds Payable at 9/30/2019	Due Within One Year
				New Obligations	Scheduled Maturity Payments	Obligations Paid				
PMC Bank Credit Line	Variable	2020	\$ -	\$ 2,800,000	\$ -	\$ -	\$ 2,800,000	\$ -	\$ 2,800,000	\$ 2,800,000
Total			\$ -	\$ 2,800,000	\$ -	\$ -	\$ 2,800,000	\$ -	\$ 2,800,000	\$ 2,800,000
Industrial Bank Credit Line	Variable	2020	\$ 1,726,077	\$ -	\$ -	\$ 213,671	\$ 1,492,406	\$ -	\$ 1,492,406	\$ 1,492,406
Total			\$ 1,726,077	\$ -	\$ -	\$ 213,671	\$ 1,492,406	\$ -	\$ 1,492,406	\$ 1,492,406
Credit Line Totals			\$ 1,726,077	\$ 2,800,000	\$ -	\$ 213,671	\$ 3,492,406	\$ -	\$ 3,492,406	\$ 3,492,406
1988 Single Family Mortgage Revenue Bonds										
1988 Series E-4	4.77%	2026	\$ 1,070,000	\$ -	\$ -	\$ 218,000	\$ 880,000	\$ 147,411	\$ 812,589	\$ -
Total			\$ 1,070,000	\$ -	\$ -	\$ 218,000	\$ 880,000	\$ 147,411	\$ 812,589	\$ -
1996 Single Family Mortgage Revenue Bonds										
2000 Series A	4.55%	2019	\$ 160,000	\$ -	\$ -	\$ 160,000	\$ -	\$ -	\$ -	\$ -
2000 Series B	5.1% - 5.35%	2019	805,000	-	-	805,000	-	-	-	-
2008 Series D	4.40%	2020	85,000	-	-	85,000	25,000	-	25,000	25,000
2009 Series E	4.65%	2037	4,620,000	-	-	1,980,000	2,040,000	-	2,040,000	-
Total			\$ 5,670,000	\$ -	\$ -	\$ 2,990,000	\$ 2,075,000	\$ -	\$ 3,875,000	\$ 25,000
Single Family New Home Program										
2009 Series A-1	2.4%	2020 - 2041	\$ 4,360,000	\$ -	\$ 160,000	\$ 240,000	\$ 3,960,000	\$ -	\$ 3,960,000	\$ 150,000
Total			\$ 4,360,000	\$ -	\$ 160,000	\$ 240,000	\$ 3,960,000	\$ -	\$ 3,960,000	\$ 150,000
Combined Single Family Indentures Total			\$ 11,180,000	\$ -	\$ 168,000	\$ 3,048,000	\$ 7,285,000	\$ 147,411	\$ 7,827,589	\$ 150,000

Project Name	Range of Interest Rates	Range of Maturities	Debt Outstanding at 9/30/2019	Debt Activity			Debt Outstanding at 9/30/2019	Premium (+) / Discount (-)	Bonds Payable at 9/30/2019	Due Within One Year
				New Bonds Issued	Scheduled Maturity Payments	Bonds Redeemed/Adjustment				
MF Development Program										
Series 2017 Pass Through Refunding (Trusts)	5.2%	2049	\$ 21,276,778	\$ -	\$ -	\$ -	\$ 448,000	\$ 22,724,778	\$ -	\$ 22,724,778
Series 2018 A Residential Condo Apartments	1.80% - 4.37%	2020 - 2029	21,110,000	-	26,000	-	-	25,100,000	-	25,100,000
Series 2018 B-1 Debt Truents and Capital Vets	Variable	2022	34,393,000	-	-	-	-	34,393,000	-	34,393,000
Series 2018 B-2 Debt Truents and Capital Vets	3.50% - 4.10%	2022 - 2028	40,928,000	-	-	-	-	40,928,000	-	40,928,000
Series 2019 A-1 A-2 Petworth	Variable	2023 - 2040	12,225,000	-	-	-	-	12,225,000	-	12,225,000
Series 2019 B-1 B-2 Bonds H&B	Variable	2022 - 2039	25,420,000	-	-	-	-	25,420,000	-	25,420,000
Total			\$ 111,482,778	\$ 26,000	\$ 26,000	\$ -	\$ 448,000	\$ 139,824,778	\$ -	\$ 139,824,778
MF Program										
DCCI Fund - Field Street	5.75%	2020 - 2039	\$ 1,280,000	\$ -	\$ 20,000	\$ -	\$ -	\$ 1,260,000	\$ -	\$ 1,260,000
DCCI Fund - Capital Street	5.75%	2020 - 2039	1,810,000	-	20,000	-	-	1,810,000	-	1,810,000
DCFA Pass Through Refunding	3.80%	2020 - 2045	31,220,000	-	70,000	668,711	-	32,030,000	1,188,400	29,841,600
Total			\$ 34,310,000	\$ -	\$ 110,000	\$ 668,711	\$ -	\$ 34,870,000	\$ 1,188,400	\$ 31,652,600
Combined MF Program			\$ 145,792,778	\$ 26,000	\$ 1,170,000	\$ 1,337,422	\$ -	\$ 174,694,778	\$ 1,188,400	\$ 171,517,378
Bonds Total			\$ 176,621,823	\$ 1,945,000	\$ 1,235,000	\$ 11,698,300	\$ 262,611,821	\$ 1,248,967	\$ 302,066,656	\$ 1,588,617

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 6: BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (Continued)

As of September 30, 2020, the required principal payments for all Agency debt outstanding (including mandatory sinking fund payments but excluding special and optional redemptions) that occurred subsequent to September 30, 2020 and interest payments for each of the next five years and in five-year increments thereafter are as follows:

For the Year Ending September 30,	1988 Collateralized Single Family Mortgage Revenue Bonds		Single Family Mortgage Revenue Bonds		Single Family New Issue Bonds Program	
	Interest	Principal	Interest	Principal	Interest	Principal
	2021	\$ 49,725	\$ -	\$ 63,473	\$ -	\$ 76,630
2022	49,725	-	63,473	-	73,393	135,000
2023	49,725	-	63,473	-	69,969	140,000
2024	49,725	-	63,473	-	66,421	150,000
2025	49,725	-	63,473	-	62,686	150,000
2026-2030	49,725	780,000	317,363	-	257,591	745,000
2031-2035	-	-	317,363	-	164,651	750,000
2036-2040	-	-	158,681	1,365,000	71,889	725,000
2041-2045	-	-	-	-	4,420	185,000
Totals	\$ 298,350	\$ 780,000	\$ 1,110,772	\$ 1,365,000	\$ 847,650	\$ 3,110,000
Unamortized Premium / (Discount)		\$ (47,411)		\$ -		\$ -
Bonds Payable		\$ 732,589		\$ 1,365,000		\$ 3,110,000

For the Year Ending September 30,	Multifamily Development Program		Multifamily Program	
	Interest	Principal	Interest	Principal
	2021	\$ 2,740,268	\$ 295,000	\$ 1,335,362
2022	6,594,346	655,000	1,300,743	947,298
2023	3,687,879	35,515,000	1,264,233	1,008,217
2024	2,788,745	1,140,000	1,225,184	1,074,937
2025	2,754,204	12,200,000	1,183,704	6,361,078
2026-2030	13,510,662	6,200,000	5,199,618	8,400,793
2031-2035	35,380,278	7,045,000	3,739,116	10,873,061
2036-2040	15,500,663	57,705,000	2,057,432	2,794,894
2041-2045	6,852,626	3,450,000	-	-
2046-2050	4,963,182	27,077,728	-	-
2051-2055	1,368,509	5,435,000	-	-
2056-2060	213,694	3,225,000	-	-
Totals	\$ 96,355,056	\$ 159,942,728	\$ 17,305,392	\$ 32,335,943
Unamortized Premium / (Discount)		\$ -		\$ (188,497)
Bonds Payable		\$ 159,942,728		\$ 32,147,446

The interest calculations on outstanding variable rate bonds under the Multifamily Development Programs are based on the variable rates in effect on September 30, 2020 and are not indicative of the actual interest expense that will be incurred in future years. As rates vary, variable rate bond interest payments will vary.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 6: BONDS PAYABLE AND OTHER DEBT OBLIGATIONS (Continued)

The Agency secured a variable rate committed credit line with the PNC Bank, National Association (“PNC Bank”), in the total amount of \$15.0 million to be used for providing interim financing of the costs of extending multi and single family mortgages and/or mortgage-backed securities under the United States Treasury New Issue Bond Program or any subsequent bond program of the Agency as approved by PNC Bank. As of September 30, 2020 and 2019, the outstanding balance of the credit line totaled \$-0- and \$2,000,000, respectively.

In March 2017, DCHFA entered into a grant agreement with the DC Department of Housing and Community Development (“DHCD”) as the sub-recipient in the administration of Community Development Block Grant (“CDBG”) funds. Accordingly, the Agency established a \$3.0 million line of credit with Industrial Bank to serve as a facility to fund Home Purchase Assistance Program (“HPAP”) loans. The credit line is paid down upon receipt of reimbursements for DHCD on a monthly basis. During fiscal year 2020, the line of credit was increased to \$5.0 million. As of September 30, 2020 and 2019, the total outstanding balance of the credit line totaled \$2,047,815 and \$1,492,406, respectively.

NOTE 7: REBATE LIABILITY

In accordance with the Internal Revenue Service Code (the “Code”), the Agency has recorded as rebate liability for excess investment earnings in connection with tax-exempt bonds and notes issued after 1981. The excess investment earnings arise due to actual investment yields permitted to be retained by the indentures under the Code. The Code requires 90.0% of such excess investment earnings to be remitted to the United States Treasury every five years and in full at the final redemption of the bonds. Interest income on the Statements of Revenues, Expenses and Change in Net Position is reduced by the rebate liability due to excess investment earnings. The increase/decrease in fair value of investments on the Statements of Revenues, Expenses and Change in Net Position is adjusted by the change in the estimated rebate liability due to the change in fair value of investments. The Revenue Obligation Funds had no rebate liability from interest income or from unrealized gains on investments. For the years ended September 30, 2020 and 2019 the rebate liability in the single family program was \$40,096 and \$40,096, respectively.

The project funds held for borrower and other liabilities include funds contributed by the owners of the projects and/or funds received from low-income housing tax credit equity providers, District agencies, and the Department of Housing and Community Development. The Agency includes in the financial statements, funds received from these providers to the extent of unexpended monies in the project accounts (see Note 3).

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 8: PROJECT FUNDS HELD FOR BORROWER AND OTHER LIABILITIES

Under the 1996 Single Family Mortgage Revenue Bonds, the Agency administers grant funds received from the District's Department of Housing and Community Development ("DHCD") under the U.S. Department of Housing and Urban Development's Home Investment Partnership Program ("HOME"). These funds were either blended with the bond proceeds to yield interest rate subsidy on mortgage loans securitized into mortgage-backed securities or were used to help homebuyers with closing costs, including down-payment assistance. Under the respective grant agreements, the Agency may recycle repayments of HOME funds into its bond programs. There was no transfer by the Agency of HOME funds back to DHCD during fiscal year 2020. As of September 30, 2020 and 2019, total HOME Program restricted assets were \$1,100,773 and \$1,100,773, respectively.

NOTE 9: PREPAID FEES

The prepaid fees include funds related to non-refundable construction monitoring fees associated with multifamily financing activities. The prepaid fees are recognized over each project's anticipated construction period.

NOTE 10: NET POSITION

Net Investment in Capital Assets - Capital Assets include non-depreciable land, as well as, building net of related debt and accumulated depreciation, furniture and equipment net of related accumulated depreciation, leasehold improvements and software net of related accumulated amortization. Net investment in capital assets at September 30, 2020 and 2019 were \$2,556,666 and \$2,575,036, respectively.

Revenue Obligations Funds - The Revenue Obligation Funds net position is restricted through debt covenants as collateral for the respective bond issues and credit lines. Combined restricted net position related to the Revenue Obligation Funds as of September 30, 2020 and 2019 were \$27,246,378 and \$25,523,052, respectively.

Risk Share Program - Under the General Fund, the initial deposit made to participate in the Risk Sharing Program and the contributions of 1.0% of the FHA-insured mortgage balances in the Risk Sharing Program reserve account are also restricted. The Agency maintained restricted net position related to the HUD Risk-Share Program as of September 30, 2020 and 2019 at \$2,707,841 and \$2,655,877, respectively.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 10: NET POSITION (Continued)

McKinney Act Fund - The Agency qualified for 50.0% of the savings resulting from Financing Adjustment Factors (“FAF”) on Section (11)(b) bond refunding transactions. These funds are programmatically restricted as they are only to be used to benefit very low-income persons. As a result, the Agency established a revolving loan fund to provide credit enhancement or loan guarantees, and finance certain special need projects, such as, shelter for the District’s homeless and facilities for individuals who have contracted AIDS. Restricted net position related to the McKinney Act Fund as of September 30, 2020 and 2019 was \$8,868,951 and \$9,167,744, respectively.

Unrestricted Net Position - As of September 30, 2020 and 2019, under the General Fund were \$100,975,001 and \$91,428,734, respectively, in unrestricted net position. The unrestricted net position is used to support the Agency’s issuer credit rating.

NOTE 11: RETIREMENT PLAN

The Agency established a 457(b) deferred compensation plan (the “457(b) Plan”) for the benefit of its eligible employees effective October 1, 1997. The Plan was amended and changed recordkeepers effective October 1, 2015. The amended Plan allows for an employee match up to 7.0% of an employee’s salary on a 5-year vesting schedule.

NOTE 12: OTHER INCOME

The Agency’s other income for fiscal year 2020 is comprised of the following:

Description	General Fund	Single Family Program Funds			Multifamily Program Funds		Total
		1986, 1996 Single Family Whole Loan Program	1988 Collateralized Single Family Mortgage Revenue Bonds	1996 Single Family Mortgage Revenue Bonds	Single Family New Issue Bond Program	2017 Multifamily Development Programs	
Tax credit fees	\$ 1,152,407	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,152,407
Legal fees	530,000	-	-	-	-	-	530,000
Mortgage servicing fees	71,252	-	-	-	-	-	71,252
MIP Risk Share Program	57,933	-	-	-	-	-	57,933
Other	2,437,114	-	-	-	-	104,663	2,541,777
Total	\$ 4,248,706	\$ -	\$ -	\$ -	\$ -	\$ 104,663	\$ 4,353,369

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 12: OTHER INCOME (Continued)

The Agency's other income for fiscal year 2019 was comprised of the following:

Description	General Fund	Single Family Program Funds			Multifamily Program Funds		Total
		1986, 1996 Single Family Whole Loan Program	Collateralized Single Family Mortgage Revenue Bonds	1996 Single Family Mortgage Revenue Bonds	Single Family New Issue Bond Program	2017 Multifamily Development Programs	
Project revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 473,014	\$ 473,014
Tax credit fees	1,045,651	-	-	-	-	-	1,045,651
Legal fees	600,000	-	-	-	-	-	600,000
Mortgage servicing fees	81,075	-	-	-	-	-	81,075
MIP Risk Share Program	59,318	-	-	-	-	-	59,318
Other	2,334,137	-	-	-	-	171,814	2,505,951
Total	\$ 4,120,181	\$ -	\$ -	\$ -	\$ -	\$ 644,828	\$ 4,765,009

NOTE 13: FEDERAL AND CITY PROGRAMS

On March 1, 2017, DCHFA signed a Subrecipient Grant Agreement with the District of Columbia Department of Housing and Community Development to administer \$5.7 million of Community Development Block Grant funds, allocated to the District of Columbia by the U.S. Department of Housing and Urban Development under Title 1 of the U.S. Housing and Community Development Act of 1974. During 2020, the Subrecipient Grant Agreement was amended to include HOME Grant Funds. The Community Development Block and HOME Grant funds were used to fund down payment assistance activities and services. During the years ended September 30, 2020 and 2019, respectively, the DCHFA received a funding extension under the program in the total amounts of \$11.0 million and \$9.2 million, which includes \$9.5 million and \$4.8 million, to be funded from Federal funds and \$1.5 million and \$4.4 million, to be funded from local funds. As of September 30, 2020 and 2019, the Agency had incurred program expenses of \$9.3 million and \$9.0 million, funded by \$9.3 million and \$9.2 million awards, respectively. Of the program expenses incurred during the years ended September 30, 2020 and 2019, \$7.9 million and \$4.7 million, respectively, were funded by Federal funds and \$1.4 million and \$4.3 million, respectively, were funded by local funds.

In fiscal year 2019, DCHFA, by enactment by the Council of the District of Columbia, established an 18-month pilot program, Reverse Mortgage Insurance and Tax Payment ("ReMIT"), that allows qualified homeowners to apply for and receive up to \$25,000 in financial assistance for payment of past due property taxes and property insurance debts that have put qualified homeowners at risk of foreclosure. The program was extended during fiscal year 2020. DCHFA records a lien on the subject property in the amount of the financial assistance provided to the qualified homeowner, which is subordinate to the reverse mortgage lender in the first position. As of September 30, 2020 and 2019, DCHFA provided \$190,971 and \$24,503, respectively, in financial assistance to qualified homeowners under the program.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 14: COMMITMENTS AND CONTINGENCIES

As of September 30, 2020, the Agency had total mortgage commitments in the amount of \$110.7 million on projects under construction in the Multifamily Development Program, of which \$90.6 million has been drawn and \$20.1 million remains to be drawn.

The Agency is a defendant in a lawsuit and other claims that occur in the ordinary course of operations. It is the opinion of the General Counsel that such lawsuit and claims will not have a material adverse impact on the Agency's financial condition.

Since early 2020, there has been a global outbreak of a novel strain of coronavirus ("COVID-19"), which has forced the United States to declare a national emergency, institute "stay-at-home" orders and restrict operations of non-essential businesses. Such actions are adversely impacting many industries. COVID-19 could have a continued and prolonged adverse impact on economic and market conditions and could trigger a period of economic shutdown. The impact of COVID-19 on businesses is evolving, and the extent and duration of the economic fallout from this pandemic remains unclear, making any estimate or assumption as of September 30, 2020 inherently less certain than they would be absent to current and potential impacts of COVID-19. The magnitude and duration of COVID-19 and its impact on the Agency's activities, its borrowers, and investments is uncertain and will mostly depend on future events, which cannot be predicted. As this pandemic continues and if economic conditions worsen, it may have a long-term impact on the Agency's financial position, results of operations and cash flows. The Agency is not able to reliably estimate the length or severity of this outbreak and the related financial impact.

NOTE 15: CONDUIT DEBT OBLIGATIONS

The Agency has issued bonds that provide mortgage loan financing for newly constructed or rehabilitated multifamily rental housing development in the District. No individual conduit multifamily project's assets are available to collateralize other project's debt obligations. Neither the faith and credit of the Agency nor the assets of any other Fund have been pledged as security for these bonds. The developments financed are pledged as collateral, and the bonds are payable solely from payments received from the mortgages on the underlying promissory notes. As of September 30, 2020 and 2019, the bonds have an aggregate outstanding principal amount payable of \$1,553,896,972 and \$1,299,532,525, respectively.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
NOTES TO FINANCIAL STATEMENTS - CONTINUED
SEPTEMBER 30, 2020 AND 2019

NOTE 16: SUBSEQUENT EVENTS

The events that occur after the date of the Statement of Net Position but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the date of the Statement of Net Position are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the date of the Statement of Net Position require disclosure in the accompanying notes. Management evaluated the activity of DCHFA through January 15, 2021 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition the in the Financial Statements or disclosure in the Notes to the Financial Statements.

SUPPLEMENTAL INFORMATION

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF NET POSITION
SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

ASSETS	General Fund	Single Family Program Fund	Single Family NIBP Fund	Multifamily Program Fund	2020	2019
CURRENT ASSETS						
Unrestricted current assets:						
Cash and cash equivalents	\$ 31,509,181	\$ -	\$ -	\$ -	\$ 31,509,181	\$ 21,805,407
Investments	24,222,789	-	-	-	24,222,789	32,017,948
Other receivables	2,263,789	-	-	-	2,263,789	4,723,993
Accrued interest receivable	478,693	-	-	-	478,693	466,945
Prepaid fees	115,753	-	-	-	115,753	200,770
Total unrestricted current assets	<u>58,590,205</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>58,590,205</u>	<u>59,215,063</u>
Restricted current assets:						
Cash and cash equivalents	22,334,024	5,750,479	893,200	14,106,881	43,084,584	59,705,128
Accounts receivable - HPAP Program	1,643,650	-	-	-	1,643,650	3,306,548
Mortgage-backed securities at fair value	-	2,296	-	-	2,296	32,024
Mortgage and construction loans receivable, net	-	-	-	-	-	256,464
McKinney Act loans receivable, net	2,622,709	-	-	-	2,622,709	1,999,971
Accrued interest receivable	-	223,767	391	842,278	1,066,436	856,302
Total restricted current assets	<u>26,600,383</u>	<u>5,976,542</u>	<u>893,591</u>	<u>14,949,159</u>	<u>48,419,675</u>	<u>66,156,437</u>
TOTAL CURRENT ASSETS	<u>85,190,588</u>	<u>5,976,542</u>	<u>893,591</u>	<u>14,949,159</u>	<u>107,009,880</u>	<u>125,371,500</u>
NON-CURRENT ASSETS						
Unrestricted non-current assets:						
Investments	24,177,302	-	-	-	24,177,302	20,714,139
Mortgage and construction loans receivable, net	2,320,786	-	-	855,665	3,176,451	-
Due from (to) other funds	3,269,914	(1,901,066)	(149,578)	(1,219,270)	-	-
Total unrestricted non-current assets	<u>29,768,002</u>	<u>(1,901,066)</u>	<u>(149,578)</u>	<u>(363,605)</u>	<u>27,353,753</u>	<u>20,714,139</u>
Restricted non-current assets:						
Investments held in trust	-	10,000,000	-	113,173,397	123,173,397	98,024,808
Investments in joint ventures	885,532	-	-	-	885,532	1,081,539
Mortgage-backed securities at fair value	2,725,986	10,797,420	3,101,588	-	16,624,994	20,971,065
Mortgage and construction loans receivable, net	-	330,000	85,000	169,586,119	170,001,119	123,751,098
Loans receivable	1,922,810	-	-	-	1,922,810	2,024,317
McKinney Act loans receivable, net	2,775,719	-	-	-	2,775,719	1,712,216
Total restricted non-current assets	<u>8,310,047</u>	<u>21,127,420</u>	<u>3,186,588</u>	<u>282,759,516</u>	<u>315,383,571</u>	<u>247,565,043</u>
Capital assets:						
Land	573,000	-	-	-	573,000	573,000
Property and equipment	6,885,237	-	-	-	6,885,237	6,516,980
Less accumulated depreciation and amortization	(4,901,571)	-	-	-	(4,901,571)	(4,514,944)
Total capital assets, net	<u>2,556,666</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,556,666</u>	<u>2,575,036</u>
TOTAL NON-CURRENT ASSETS	<u>40,634,715</u>	<u>19,226,354</u>	<u>3,037,010</u>	<u>282,395,911</u>	<u>345,293,990</u>	<u>270,854,218</u>
TOTAL ASSETS	<u>\$ 125,825,303</u>	<u>\$ 25,202,896</u>	<u>\$ 3,930,601</u>	<u>\$ 297,345,070</u>	<u>\$ 452,303,870</u>	<u>\$ 396,225,718</u>

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF NET POSITION - (CONTINUED)
SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

LIABILITIES AND NET POSITION	General Fund	Single Family Program Fund	Single Family NIBP Fund	Multifamily Program Fund	2020	2019
CURRENT LIABILITIES						
Current liabilities payable from unrestricted assets:						
Accounts payable and accrued liabilities	\$ 409,984	\$ -	\$ -	\$ -	\$ 409,984	\$ 266,663
Accrued salary and vacation payable	711,418	-	-	-	711,418	646,034
Prepaid fees	3,797,124	-	-	-	3,797,124	2,854,116
Total current liabilities payable from unrestricted assets	<u>4,918,526</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,918,526</u>	<u>3,766,813</u>
Current liabilities payable from restricted assets:						
Accounts payable and accrued liabilities	-	40,096	4,376	138,853	183,325	186,333
Project funds held for borrower and other liabilities	3,750,503	1,100,773	-	99,733,714	104,584,990	54,660,448
Interest payable	-	37,733	25,813	853,068	916,614	582,419
Current portion of loans payable	2,047,815	-	-	-	2,047,815	3,492,406
Current portion of bonds payable	-	-	130,000	1,170,665	1,300,665	1,318,317
Total current liabilities payable from restricted assets	<u>5,798,318</u>	<u>1,178,602</u>	<u>160,189</u>	<u>101,896,300</u>	<u>109,033,409</u>	<u>60,239,923</u>
Total current liabilities	<u>10,716,844</u>	<u>1,178,602</u>	<u>160,189</u>	<u>101,896,300</u>	<u>113,951,935</u>	<u>64,006,736</u>
NON-CURRENT LIABILITIES						
Non-current liabilities payable from restricted assets:						
Bonds payable - less current portion	-	2,097,589	2,980,000	190,919,509	195,997,098	200,868,539
Total non-current liabilities payable from restricted assets	<u>-</u>	<u>2,097,589</u>	<u>2,980,000</u>	<u>190,919,509</u>	<u>195,997,098</u>	<u>200,868,539</u>
TOTAL LIABILITIES	<u>10,716,844</u>	<u>3,276,191</u>	<u>3,140,189</u>	<u>292,815,809</u>	<u>309,949,033</u>	<u>264,875,275</u>
NET POSITION						
Net investment in capital assets	2,556,666	-	-	-	2,556,666	2,575,036
Restricted for:						
Bond fund, collateral and Risk Share Program	2,707,841	21,926,705	790,412	4,529,261	29,954,219	28,178,929
McKinney Act Fund	8,868,951	-	-	-	8,868,951	9,167,744
Total restricted net position	<u>11,576,792</u>	<u>21,926,705</u>	<u>790,412</u>	<u>4,529,261</u>	<u>38,823,170</u>	<u>37,346,673</u>
Unrestricted net position	100,975,001	-	-	-	100,975,001	91,428,734
TOTAL NET POSITION	<u>115,108,459</u>	<u>21,926,705</u>	<u>790,412</u>	<u>4,529,261</u>	<u>142,354,837</u>	<u>131,350,443</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 125,825,303</u>	<u>\$ 25,202,896</u>	<u>\$ 3,930,601</u>	<u>\$ 297,345,070</u>	<u>\$ 452,303,870</u>	<u>\$ 396,225,718</u>

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGE IN NET POSITION
YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	General Fund	Single Family Program Fund	Single Family NIBP Fund	Multifamily Program Fund	2020	2019
OPERATING REVENUES						
Investment interest income	\$ 1,481,345	\$ 716,374	\$ 4,147	\$ 1,386,445	\$ 3,588,311	\$ 4,815,165
Mortgage-backed security interest income	118,284	495,261	119,761	-	733,306	1,040,718
Interest on mortgage and construction loans	-	-	-	7,434,541	7,434,541	6,647,255
Construction and development admin fees	2,780,369	-	-	-	2,780,369	2,435,825
Financing fee income	6,409,195	-	-	-	6,409,195	6,371,796
Bond administration fee income	4,012,843	-	-	-	4,012,843	6,317,193
McKinney Act interest revenue	288,898	-	-	-	288,898	176,596
Application and commitment fees	374,964	-	-	-	374,964	117,651
Other	4,248,706	-	-	104,663	4,353,369	4,765,009
Total operating revenues	<u>19,714,604</u>	<u>1,211,635</u>	<u>123,908</u>	<u>8,925,649</u>	<u>29,975,796</u>	<u>32,687,208</u>
OPERATING EXPENSES						
General and administrative	3,159,225	5,839	11,414	1,007,172	4,183,650	5,788,091
Personnel and related costs	6,770,659	-	-	-	6,770,659	6,601,018
Interest expense	-	180,506	94,869	7,286,789	7,562,164	6,020,372
Depreciation and amortization	386,627	-	-	-	386,627	427,911
Trustee fees and other expenses	103,354	10,000	2,750	96,497	212,601	107,184
Total operating expenses	<u>10,419,865</u>	<u>196,345</u>	<u>109,033</u>	<u>8,390,458</u>	<u>19,115,701</u>	<u>18,944,576</u>
OPERATING INCOME	<u>9,294,739</u>	<u>1,015,290</u>	<u>14,875</u>	<u>535,191</u>	<u>10,860,095</u>	<u>13,742,632</u>
NON-OPERATING REVENUES/(EXPENSES)						
Federal and city programs:						
Program revenue	9,486,672	-	-	-	9,486,672	9,013,630
Program expenses	(9,486,672)	-	-	-	(9,486,672)	(8,993,910)
(Decrease) increase in fair value of mortgage-backed securities and investments	(42,185)	145,135	(10,578)	51,927	144,299	926,263
Total non-operating revenues/(expenses)	<u>(42,185)</u>	<u>145,135</u>	<u>(10,578)</u>	<u>51,927</u>	<u>144,299</u>	<u>945,983</u>
Transfers of funds, net	28,514	-	(28,514)	-	-	-
CHANGE IN NET POSITION	9,281,068	1,160,425	(24,217)	587,118	11,004,394	14,688,615
Net position, beginning of year	105,827,391	20,766,280	814,629	3,942,143	131,350,443	116,661,828
Net position, end of year	<u>\$ 115,108,459</u>	<u>\$ 21,926,705</u>	<u>\$ 790,412</u>	<u>\$ 4,529,261</u>	<u>\$ 142,354,837</u>	<u>\$ 131,350,443</u>

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF CASH FLOWS
YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	General Fund	Single Family Program Fund	Single Family NIBP Fund	Multifamily Program Fund	2020	2019
Cash Flows from Operating Activities:						
Interest received on loans	\$ 288,898	\$ -	\$ -	\$ 7,162,792	\$ 7,451,690	\$ 4,771,195
Administrative and financing cash receipts	13,202,407	-	-	-	13,202,407	12,688,989
Other cash receipts	18,469,031	-	-	49,605,120	68,074,151	45,146,038
Payments to vendors	(11,474,550)	(5,839)	(11,414)	(1,010,180)	(12,501,983)	(15,782,020)
Payments to employees	(6,705,275)	-	-	-	(6,705,275)	(6,255,047)
Net mortgage and construction loans principal receipts / (disbursements)	(3,905,520)	-	-	(46,849,222)	(50,754,742)	(11,792,770)
Principal and interest received on mortgage-backed securities	1,989,596	1,954,852	1,306,896	-	5,251,344	24,224,551
Payment for the purchase of mortgage-backed securities	-	-	-	-	-	(18,471,629)
Other cash payments	(103,354)	(10,000)	(2,750)	(96,497)	(212,601)	(68,478)
Net cash provided by operating activities	<u>11,761,233</u>	<u>1,939,013</u>	<u>1,292,732</u>	<u>8,812,013</u>	<u>23,804,991</u>	<u>34,460,829</u>
Cash Flows from Capital and Related Financing Activities						
Acquisition of capital assets	(368,257)	-	-	-	(368,257)	(256,000)
Net cash used in capital and related financing activities	<u>(368,257)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(368,257)</u>	<u>(256,000)</u>
Cash Flows from Non-Capital Financing Activities						
Interest paid on bonds and loans	-	(208,705)	(101,924)	(6,917,340)	(7,227,969)	(4,854,080)
Transfer from (to) other funds	(1,009,101)	-	(28,514)	1,037,615	-	301,790
Proceeds from bond issuances and loans	656,000	-	-	-	656,000	39,945,000
Principal payments on issued debt and loans	(2,100,591)	(1,790,000)	(850,000)	(2,258,152)	(6,998,743)	(13,557,032)
Net cash provided by (used in) non-capital financing activities	<u>(2,453,692)</u>	<u>(1,998,705)</u>	<u>(980,438)</u>	<u>(8,137,877)</u>	<u>(13,570,712)</u>	<u>21,835,678</u>
Cash Flows from Investing Activities						
Investment in joint ventures	196,007	-	-	-	196,007	(185,197)
Interest received on investments	1,481,345	716,374	4,147	1,386,445	3,588,311	4,805,824
Maturities and sales of investments	33,008,637	607,855	-	181,466	33,797,958	19,519,464
Purchase of investments	(28,676,641)	(268,427)	-	(25,420,000)	(54,365,068)	(128,881,399)
Net cash (used in) / provided by investing activities	<u>6,009,348</u>	<u>1,055,802</u>	<u>4,147</u>	<u>(23,852,089)</u>	<u>(16,782,792)</u>	<u>(104,741,308)</u>
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	14,948,632	996,110	316,441	(23,177,953)	(6,916,770)	(48,700,801)
Cash and cash equivalents, beginning of year	38,894,573	4,754,369	576,759	37,284,834	81,510,535	130,211,336
Cash and cash equivalents, end of year	<u>\$ 53,843,205</u>	<u>\$ 5,750,479</u>	<u>\$ 893,200</u>	<u>\$ 14,106,881</u>	<u>\$ 74,593,765</u>	<u>\$ 81,510,535</u>
Cash, cash equivalents and restricted cash						
Cash and cash equivalents	\$ 31,509,181	\$ -	\$ -	\$ -	\$ 31,509,181	\$ 21,805,407
Restricted cash and cash equivalents	22,334,024	5,750,479	893,200	14,106,881	43,084,584	59,705,128
Total cash, cash equivalents and restricted cash	<u>\$ 53,843,205</u>	<u>\$ 5,750,479</u>	<u>\$ 893,200</u>	<u>\$ 14,106,881</u>	<u>\$ 74,593,765</u>	<u>\$ 81,510,535</u>

See Accompanying Independent Auditor's Report.

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
COMBINING STATEMENTS OF CASH FLOWS (CONTINUED)
YEAR ENDED SEPTEMBER 30, 2020
(WITH COMPARATIVE TOTALS FOR 2019)

	<u>General Fund</u>	<u>Single Family Program Fund</u>	<u>Single Family NIBP Fund</u>	<u>Multifamily Program Fund</u>	<u>2020</u>	<u>2019</u>
Reconciliation of Operating Income to Net Cash Provided by / (Used in) Operating Activities						
Operating income (loss)	\$ 9,294,739	\$ 1,015,290	\$ 14,875	\$ 535,191	\$ 10,860,095	\$ 13,742,632
Depreciation and amortization	386,627	-	-	-	386,627	427,911
Gain on disposal of assets	-	-	-	-	-	(174,341)
Amortization of prepaid items, premiums and discounts on debt	-	-	-	-	-	(248,962)
Interest on bonds/loans	-	208,705	101,924	6,917,340	7,227,969	4,854,080
Provision for uncollectible interest revenue	31,853	-	-	-	31,853	(34,396)
Decrease (increase) in mortgage and construction loans	(3,905,520)	-	-	(46,849,222)	(50,754,742)	(11,835,888)
Decrease in mortgage-backed securities	1,883,060	1,411,280	1,173,831	-	4,468,171	23,278,169
Purchases of mortgage-backed securities	-	-	-	-	-	(18,471,629)
Interest received on investments	(1,481,345)	(716,374)	(4,147)	(1,386,445)	(3,588,311)	(4,805,824)
(Increase) decrease in assets:						
Accrued interest receivable	(43,601)	48,311	13,304	(271,749)	(253,735)	(171,836)
Other current assets	85,017	-	-	-	85,017	(74,836)
Other receivables	4,123,102	-	-	-	4,123,102	(306,771)
(Decrease) increase in liabilities:						
Accounts payable and accrued liabilities	208,705	-	-	(3,008)	205,697	(572,479)
Prepaid items	943,008	-	-	-	943,008	1,050,814
Project funds held for borrower and other liabilities	235,588	-	-	49,500,457	49,736,045	27,772,132
Accrued interest payable	-	(28,199)	(7,055)	369,449	334,195	32,053
Net cash provided by / (used in) operating activities	<u>\$ 11,761,233</u>	<u>\$ 1,939,013</u>	<u>\$ 1,292,732</u>	<u>\$ 8,812,013</u>	<u>\$ 23,804,991</u>	<u>\$ 34,460,829</u>

See Accompanying Independent Auditor's Report.

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND
SEPTEMBER 30, 2020 AND 2019**

1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2020

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 4,264,287	\$ 4,264,287	\$ 4,264,287	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<u>4,264,287</u>	<u>4,264,287</u>	<u>4,264,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Investments</u>							
Investment Agreements	10,000,000	10,000,000	-	-	10,000,000	-	-
Total Investments	<u>10,000,000</u>	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>	<u>-</u>	<u>-</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	-	-	-	-	-	-	-
Total Mortgage-Backed Securities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1988 Collateralized Single Family Mortgage Revenue Bonds Total Cash, Investments and Mortgage-Backed Securities							
	<u>\$ 14,264,287</u>	<u>\$ 14,264,287</u>	<u>\$ 4,264,287</u>	<u>\$ -</u>	<u>\$ 10,000,000</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019**

1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2019

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 3,701,231	\$ 3,701,231	\$ 3,701,231	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<u>3,701,231</u>	<u>3,701,231</u>	<u>3,701,231</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Investments</u>							
Investment Agreements	10,000,000	10,000,000	-	-	10,000,000	-	-
Total Investments	<u>10,000,000</u>	<u>10,000,000</u>	<u>-</u>	<u>-</u>	<u>10,000,000</u>	<u>-</u>	<u>-</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	24,858	25,096	18,454	6,642	-	-	-
Total Mortgage-Backed Securities	<u>24,858</u>	<u>25,096</u>	<u>18,454</u>	<u>6,642</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1988 Collateralized Single Family Mortgage Revenue Bonds Total Cash, Investments and Mortgage-Backed Securities</u>							
	<u>\$ 13,726,089</u>	<u>\$ 13,726,327</u>	<u>\$ 3,719,685</u>	<u>\$ 6,642</u>	<u>\$ 10,000,000</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

**DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019**

1996 Single Family Mortgage Revenue Bonds as of September 30, 2020

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 1,486,192	\$ 1,486,192	\$ 1,486,192	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<u>1,486,192</u>	<u>1,486,192</u>	<u>1,486,192</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Investments</u>							
Investment Agreements	-	-	-	-	-	-	-
Total Investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	2,202,125	2,420,558	2,296	718,130	342,470	800,885	556,777
Fannie Mae	2,531,065	2,764,915	-	27,715	30,194	-	2,707,006
Freddie Mac	5,011,218	5,614,242	-	-	-	-	5,614,242
Total Mortgage-Backed Securities	<u>9,744,408</u>	<u>10,799,715</u>	<u>2,296</u>	<u>745,845</u>	<u>372,664</u>	<u>800,885</u>	<u>8,878,025</u>
1996 Single Family Mortgage Revenue Bonds Total Cash, Investments and Mortgage-Backed Securities	<u>\$ 11,230,600</u>	<u>\$ 12,285,907</u>	<u>\$ 1,488,488</u>	<u>\$ 745,845</u>	<u>\$ 372,664</u>	<u>\$ 800,885</u>	<u>\$ 8,878,025</u>

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

1996 Single Family Mortgage Revenue Bonds as of September 30, 2019

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 1,053,138	\$ 1,053,138	\$ 1,053,138	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<u>1,053,138</u>	<u>1,053,138</u>	<u>1,053,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Investments</u>							
Investment Agreements	339,428	339,428	-	-	-	-	339,428
Total Investments	<u>339,428</u>	<u>339,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>339,428</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	2,810,182	3,041,452	13,570	492,530	895,188	1,072,151	568,013
Fannie Mae	2,854,951	3,043,662	-	-	68,178	-	2,975,484
Freddie Mac	5,439,511	5,955,651	-	-	-	-	5,955,651
Total Mortgage-Backed Securities	<u>11,104,644</u>	<u>12,040,765</u>	<u>13,570</u>	<u>492,530</u>	<u>963,366</u>	<u>1,072,151</u>	<u>9,499,148</u>
1996 Single Family Mortgage Revenue Bonds Total Cash, Investments and Mortgage-Backed Securities	<u>\$ 12,497,210</u>	<u>\$ 13,433,331</u>	<u>\$ 1,066,708</u>	<u>\$ 492,530</u>	<u>\$ 963,366</u>	<u>\$ 1,072,151</u>	<u>\$ 9,838,576</u>

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

Single Family NIB Program as of September 30, 2020

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 893,200	\$ 893,200	\$ 893,200	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<u>893,200</u>	<u>893,200</u>	<u>893,200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	2,642,702	2,795,663	-	-	-	-	2,795,663
Fannie Mae	284,854	305,925	-	-	-	-	305,925
Total Mortgage-Backed Securities	<u>2,927,556</u>	<u>3,101,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,101,588</u>
Single Family NIB Program Total Cash and Mortgage-Backed Securities	<u>\$ 3,820,756</u>	<u>\$ 3,994,788</u>	<u>\$ 893,200</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,101,588</u>

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

Single Family NIB Program as of September 30, 2019

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 576,759	\$ 576,759	\$ 576,759	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<u>576,759</u>	<u>576,759</u>	<u>576,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	3,537,868	3,700,769	-	-	-	-	3,700,769
Fannie Mae	559,463	585,228	-	-	-	-	585,228
Total Mortgage-Backed Securities	<u>4,097,331</u>	<u>4,285,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,285,997</u>
Single Family NIB Program Total Cash and Mortgage-Backed Securities	<u>\$ 4,674,090</u>	<u>\$ 4,862,756</u>	<u>\$ 576,759</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,285,997</u>

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

Multifamily Development Program (MFDP) as of September 30, 2020

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Non-Money Market Deposits	\$ 4	\$ 4	\$ 4	\$ -	\$ -	\$ -	\$ -
Demand Money Market Deposits	3,195,396	3,195,396	3,195,396	-	-	-	-
Money Market Funds	8,087,609	8,087,609	8,087,609	-	-	-	-
Total Cash and Cash Equivalents	11,283,009	11,283,009	11,283,009	-	-	-	-
<u>Investments</u>							
Investment Agreements	112,376,088	112,360,163	-	112,360,163	-	-	-
GSE Obligations	689,822	813,234	-	-	813,234	-	-
Total Investments	113,065,910	113,173,397	-	112,360,163	813,234	-	-
Multifamily MFDP Program Total							
Cash and Cash Equivalents	\$ 124,348,919	\$ 124,456,406	\$ 11,283,009	\$ 112,360,163	\$ 813,234	\$ -	\$ -

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

Multifamily Development Program (MFDP) as of September 30, 2019

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Non-Money Market Deposits	\$ 2,081,218	\$ 2,081,218	\$ 2,081,218	\$ -	\$ -	\$ -	\$ -
Demand Money Market Deposits	2,825,879	2,825,879	2,825,879	-	-	-	-
Money Market Funds	30,241,412	30,241,412	30,241,412	-	-	-	-
Total Cash and Cash Equivalents	35,148,509	35,148,509	35,148,509	-	-	-	-
<u>Investments</u>							
Investment Agreements	86,940,000	86,940,000	-	86,940,000	-	-	-
GSE Obligations	689,822	745,380	-	-	745,380	-	-
Total Investments	87,629,822	87,685,380	-	86,940,000	745,380	-	-
Multifamily MFDP Program Total							
Cash and Cash Equivalents	\$ 122,778,331	\$ 122,833,889	\$ 35,148,509	\$ 86,940,000	\$ 745,380	\$ -	\$ -

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

Multifamily Program as of September 30, 2020

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 2,823,872	\$ 2,823,872	\$ 2,823,872	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	<u>2,823,872</u>	<u>2,823,872</u>	<u>2,823,872</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Multifamily Program Total Cash and Cash Equivalents	<u>\$ 2,823,872</u>	<u>\$ 2,823,872</u>	<u>\$ 2,823,872</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

Multifamily Program as of September 30, 2019

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Money Market Funds	\$ 2,136,325	\$ 2,136,325	\$ 2,136,325	\$ -	\$ -	\$ -	\$ -
Total Cash and Cash Equivalents	2,136,325	2,136,325	2,136,325	-	-	-	-
<u>Multifamily Program Total Cash and Cash Equivalents</u>							
	\$ 2,136,325	\$ 2,136,325	\$ 2,136,325	\$ -	\$ -	\$ -	\$ -

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

Combined Revenue Obligation Funds and General Fund as of September 30, 2020

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Non-Money Market Deposits	\$ 6,039,420	\$ 6,039,420	\$ 6,039,420	\$ -	\$ -	\$ -	\$ -
Demand Money Market Deposits	50,999,185	50,999,185	50,999,185	-	-	-	-
Money Market Funds	17,555,160	17,555,160	17,555,160	-	-	-	-
Total Cash and Cash Equivalents	<u>74,593,765</u>	<u>74,593,765</u>	<u>74,593,765</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Investments</u>							
Certificates of Deposits	4,071,609	4,071,609	3,048,917	1,022,692	-	-	-
U.S. Treasury Obligations	276,951	304,361	-	129,083	175,278	-	-
Municipal Obligations	4,790,000	4,789,378	599,962	4,189,416	-	-	-
Investment Agreements	122,376,088	122,360,163	-	112,360,163	10,000,000	-	-
Corporate Obligations	37,580,619	37,897,579	20,523,806	15,745,083	1,628,690	-	-
GSE Obligations	2,014,151	2,150,398	50,104	1,185,326	914,968	-	-
Total Investments	<u>171,109,418</u>	<u>171,573,488</u>	<u>24,222,789</u>	<u>134,631,763</u>	<u>12,718,936</u>	<u>-</u>	<u>-</u>
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	5,883,671	6,311,899	2,296	718,130	342,470	800,885	4,448,118
Fannie Mae	4,347,799	4,701,149	-	27,715	30,194	-	4,643,240
Freddie Mac	5,011,218	5,614,242	-	-	-	-	5,614,242
Total Mortgage-Backed Securities	<u>15,242,688</u>	<u>16,627,290</u>	<u>2,296</u>	<u>745,845</u>	<u>372,664</u>	<u>800,885</u>	<u>14,705,600</u>
Combined General Fund and Revenue Obligation Funds Total Cash, Investments and Mortgage-Backed Securities							
	<u>\$ 260,945,871</u>	<u>\$ 262,794,543</u>	<u>\$ 98,818,850</u>	<u>\$ 135,377,608</u>	<u>\$ 13,091,600</u>	<u>\$ 800,885</u>	<u>\$ 14,705,600</u>

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

Combined Revenue Obligation Funds and General Fund as of September 30, 2019

<u>Asset</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Maturities (in years)</u>				
			<u>Less than 1</u>	<u>From 1 Up To 5</u>	<u>From 5 Up To 10</u>	<u>From 10 Up To 15</u>	<u>15 and More</u>
<u>Cash and Cash Equivalents</u>							
Non-Money Market Deposits	\$ 7,891,981	\$ 7,891,981	\$ 7,891,981	\$ -	\$ -	\$ -	\$ -
Demand Money Market Deposits	35,909,689	35,909,689	35,909,689	-	-	-	-
Money Market Funds	37,708,865	37,708,865	37,708,865	-	-	-	-
Total Cash and Cash Equivalents	81,510,535	81,510,535	81,510,535	-	-	-	-
<u>Investments</u>							
Certificates of Deposits	3,014,890	3,014,890	3,014,890	-	-	-	-
U.S. Treasury Obligations	276,951	289,309	-	126,962	162,347	-	-
Investment Agreements	97,279,428	97,279,428	-	86,940,000	10,000,000	-	339,428
Corporate Obligations	48,848,847	49,196,239	29,003,058	18,658,218	1,534,964	-	-
GSE Obligations	914,151	977,029	-	231,649	745,379	-	-
Total Investments	150,334,267	150,756,895	32,017,948	105,956,829	12,442,690	-	339,428
<u>Mortgage-Backed Securities</u>							
Ginnie Mae	7,867,985	8,318,718	32,024	499,172	895,188	1,072,151	5,820,183
Fannie Mae	6,418,968	6,728,720	-	-	68,178	-	6,660,542
Freddie Mac	5,439,511	5,955,651	-	-	-	-	5,955,651
Total Mortgage-Backed Securities	19,726,464	21,003,089	32,024	499,172	963,366	1,072,151	18,436,376
Combined General Fund and Revenue Obligation Funds Total Cash, Investments and Mortgage-Backed Securities							
	\$ 251,571,266	\$ 253,270,519	\$ 113,560,507	\$ 106,456,001	\$ 13,406,056	\$ 1,072,151	\$ 18,775,804

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2020

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Money Market Funds	\$ 4,264,287	29.9%	Aaa-mf	Moody's	Uncollateralized, Uninsured
Total Cash and Cash Equivalents	<u>4,264,287</u>	<u>29.9%</u>			
<u>Investments</u>					
Investment Agreements	10,000,000	70.1%	Aa2	Moody's	
Total Investments	<u>10,000,000</u>	<u>70.1%</u>			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	-	0.0%	Aaa	Moody's	
Total Mortgage-Backed Securities	<u>-</u>	<u>0.0%</u>			
1988 Collateralized Single Family Mortgage Revenue Bonds Total Cash, Investments and Mortgage-Backed Securities	<u>\$ 14,264,287</u>	<u>100.0%</u>			

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

1988 Collateralized Single Family Mortgage Revenue Bonds as of September 30, 2019

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Money Market Funds	\$ 3,701,231	27.0%	Aaa-mf	Moody's	Uncollateralized, Uninsured
Total Cash and Cash Equivalents	<u>3,701,231</u>	<u>27.0%</u>			
<u>Investments</u>					
Investment Agreements	10,000,000	72.8%	Aa2	Moody's	
Total Investments	<u>10,000,000</u>	<u>72.8%</u>			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	25,096	0.2%	Aaa	Moody's	
Total Mortgage-Backed Securities	<u>25,096</u>	<u>0.2%</u>			
1988 Collateralized Single Family Mortgage Revenue Bonds Total Cash, Investments and Mortgage-Backed Securities	<u>\$ 13,726,327</u>	<u>100.0%</u>			

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

1996 Single Family Mortgage Revenue Bonds as of September 30, 2020

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Money Market Funds	\$ 1,486,192	12.1%	Aaa-mf	Moody's	
Total Cash and Cash Equivalents	<u>1,486,192</u>	<u>12.1%</u>			
<u>Investments</u>					
Investment Agreements	-	0.0%	Aa3	Moody's	
Total Investments	<u>-</u>	<u>0.0%</u>			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	2,420,558	19.7%	Aaa	Moody's	
Fannie Mae	2,764,915	22.5%	Aaa	Moody's	
Freddie Mac	5,614,242	45.7%	Aaa	Moody's	
Total Mortgage-Backed Securities	<u>10,799,715</u>	<u>87.9%</u>			
1996 Single Family Mortgage Revenue Bonds Total Cash, Investments and Mortgage-Backed Securities	<u>\$ 12,285,907</u>	<u>100.0%</u>			

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

1996 Single Family Mortgage Revenue Bonds as of September 30, 2019

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Money Market Funds	\$ 1,053,138	7.8%	Aaa-mf	Moody's	
Total Cash and Cash Equivalents	<u>1,053,138</u>	<u>7.8%</u>			
<u>Investments</u>					
Investment Agreements	339,428	2.5%	Aa3	Moody's	
Total Investments	<u>339,428</u>	<u>2.5%</u>			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	3,041,452	22.6%	Aaa	Moody's	
Fannie Mae	3,043,662	22.7%	Aaa	Moody's	
Freddie Mac	5,955,651	44.4%	Aaa	Moody's	
Total Mortgage-Backed Securities	<u>12,040,765</u>	<u>89.7%</u>			
1996 Single Family Mortgage Revenue Bonds Total Cash, Investments and Mortgage-Backed Securities	<u>\$ 13,433,331</u>	<u>100.0%</u>			

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

Single Family NIB Program as of September 30, 2020

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Money Market Funds	\$ 893,200	22.4%	Aaa-mf	Moody's	
Total Cash and Cash Equivalents	<u>893,200</u>	<u>22.4%</u>			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	2,795,663	69.9%	Aaa	Moody's	
Fannie Mae	305,925	7.7%	Aaa	Moody's	
Total Mortgage-Backed Securities	<u>3,101,588</u>	<u>77.6%</u>			
Single Family NIB Program Total Cash and Mortgage-Backed Securities	<u>\$ 3,994,788</u>	<u>100.0%</u>			

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

Single Family NIB Program as of September 30, 2019

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Money Market Funds	\$ 576,759	11.9%	Aaa-mf	Moody's	
Total Cash and Cash Equivalents	<u>576,759</u>	<u>11.9%</u>			
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	3,700,769	76.1%	Aaa	Moody's	
Fannie Mae	585,228	12.0%	Aaa	Moody's	
Total Mortgage-Backed Securities	<u>4,285,997</u>	<u>88.1%</u>			
Single Family NIB Program Total Cash and Mortgage-Backed Securities	<u>\$ 4,862,756</u>	<u>100.0%</u>			

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

Multifamily Development Program (MFDP) as of September 30, 2020

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Non-Money Market Deposits	\$ 4	0.0%	Not Rated		Uncollateralized, Uninsured
Demand Money Market deposit	3,195,396	2.6%	P-1	Moody's	
Money Market Funds	8,087,609	6.5%	Aaa-mf	Moody's	
Total Cash and Cash Equivalents	11,283,009	9.1%			
<u>Investments</u>					
Investment Agreements	99,835,163	80.1%	Aa2	Moody's	
Investment Agreements	12,525,000	10.1%	Not Rated	Moody's	
GSE Obligations	813,234	0.7%	Aaa	Moody's	
Total Investments	113,173,397	90.9%			
Multifamily MFDP Program Total					
Cash and Cash Equivalents	\$ 124,456,406	100.0%			

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

Multifamily Development Program (MFDP) as of September 30, 2019

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Non-Money Market Deposits	\$ 2,081,218	1.7%	Not Rated		Uncollateralized, Uninsured
Demand Money Market deposit	2,825,879	2.3%	P-1	Moody's	
Money Market Funds	30,241,412	24.6%	Aaa-mf	Moody's	
Total Cash and Cash Equivalents	<u>35,148,509</u>	<u>28.6%</u>			
<u>Investments</u>					
Investment Agreements	74,415,000	60.6%	Aa2	Moody's	
Investment Agreements	12,525,000	10.2%	Not Rated	Moody's	
GSE Obligations	745,380	0.6%	Aaa	Moody's	
Total Investments	<u>87,685,380</u>	<u>71.4%</u>			
Multifamily MFDP Program Total					
Cash and Cash Equivalents	<u>\$ 122,833,889</u>	<u>100.0%</u>			

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

Multifamily Program as of September 30, 2020

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Money Market Funds	\$ 2,823,872	100.0%	Aaa-mf	Moody's	
Total Cash and Cash Equivalents	<u>2,823,872</u>	<u>100.0%</u>			
Multifamily Program Total Cash and Cash Equivalents	<u>\$ 2,823,872</u>	<u>100.0%</u>			

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

Multifamily Program as of September 30, 2019

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Money Market Funds	\$ 2,136,325	100.0%	Aaa-mf	Moody's	
Total Cash and Cash Equivalents	<u>2,136,325</u>	<u>100.0%</u>			
Multifamily Program Total Cash and Cash Equivalents	<u>\$ 2,136,325</u>	<u>100.0%</u>			

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

Combined Revenue Obligation Funds and General Fund as of September 30, 2020

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Non-Money Market Deposits	\$ 6,032,240	2.3%	Not Rated	Moody's	Third Party-Held Aaa Collateral
Non-Money Market Deposits	7,180	0.0%	Not Rated	Moody's	Uncollateralized, Uninsured
Demand Money Market Deposits	34,050,691	13.0%	Not Rated	Moody's	Federal Reserve-Held Aaa Collateral
Demand Money Market Deposits	16,948,494	6.4%	P-1	Moody's	
Money Market Funds	17,555,160	6.7%	Aaa-mf	Moody's	
Total Cash and Cash Equivalents	<u>74,593,765</u>	<u>28.4%</u>			
<u>Investments</u>					
Certificates of Deposits	4,071,609	1.5%	Not Rated	Moody's	Federal Reserve-Held Aaa Collateral
U.S. Treasury Obligations	304,361	0.1%	Aaa	Moody's	
Municipal Obligations	652,546	0.2%	Aa1	Moody's	
Municipal Obligations	4,136,832	1.6%	Aa2	Moody's	
Investment Agreements	109,835,163	41.9%	Aa2	Moody's	
Investment Agreements	12,525,000	4.8%	Aa2	Moody's	Standard & Poors A2
Corporate Obligations	114,259	0.0%	Aaa	Moody's	
Corporate Obligations	323,164	0.1%	Aa1	Moody's	
Corporate Obligations	1,745,057	0.7%	Aa2	Moody's	
Corporate Obligations	4,341,875	1.7%	Aa3	Moody's	
Corporate Obligations	2,873,622	1.1%	A1	Moody's	
Corporate Obligations	17,324,147	6.6%	A2	Moody's	
Corporate Obligations	9,686,173	3.7%	A3	Moody's	
Corporate Obligations	111,507	0.0%	Baa1	Moody's	
Corporate Obligations	1,377,775	0.5%	Baa2	Moody's	
GSE Obligations	2,150,398	0.8%	Aaa	Moody's	
Total Investments	<u>171,573,488</u>	<u>65.3%</u>			

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

Combined Revenue Obligation Funds and General Fund as of September 30, 2020

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	6,311,899	2.4%	Aaa	Moody's	
Fannie Mae	4,701,149	1.8%	Aaa	Moody's	
Freddie Mac	5,614,242	2.1%	Aaa	Moody's	
Total Mortgage-Backed Securities	<u>16,627,290</u>	<u>6.3%</u>			
Combined General Fund and Revenue Obligation Funds Total Cash, Investments and Mortgage- Backed Securities	<u>\$ 262,794,543</u>	<u>100.0%</u>			

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

Combined Revenue Obligation Funds and General Fund as of September 30, 2019

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Cash and Cash Equivalents</u>					
Non-Money Market Deposits	\$ 5,810,762	2.3%	Not Rated	Moody's	Third Party-Held Aaa Collateral
Non-Money Market Deposits	2,081,219	0.8%	Not Rated	Moody's	Uncollateralized, Uninsured
Demand Money Market Deposits	27,642,892	10.9%	Not Rated	Moody's	Federal Reserve-Held Aaa Collateral
Demand Money Market Deposits	8,266,797	3.3%	P-1	Moody's	
Money Market Funds	37,708,865	14.9%	Aaa-mf	Moody's	
Total Cash and Cash Equivalents	81,510,535	32.2%			
<u>Investments</u>					
Certificates of Deposits	3,014,890	1.2%	Not Rated	Moody's	Federal Reserve-Held Aaa Collateral
U.S. Treasury Obligations	289,309	0.1%	Aaa	Moody's	
Investment Agreements	84,415,000	33.1%	Aa2	Moody's	
Investment Agreements	339,428	0.1%	Aa3	Moody's	
Investment Agreements	12,525,000	4.9%	Not Rated	Moody's	Standard & Poors A2
Corporate Obligations	212,666	0.1%	Aaa	Moody's	
Corporate Obligations	211,573	0.1%	Aa1	Moody's	
Corporate Obligations	2,727,819	1.1%	Aa2	Moody's	
Corporate Obligations	6,583,780	2.6%	Aa3	Moody's	
Corporate Obligations	9,013,890	3.6%	A1	Moody's	
Corporate Obligations	24,032,099	9.5%	A2	Moody's	
Corporate Obligations	4,213,261	1.7%	A3	Moody's	
Corporate Obligations	2,201,151	0.9%	Baa1	Moody's	
GSE Obligations	977,029	0.4%	Aaa	Moody's	
Total Investments	150,756,895	59.4%			

(Continued)

DISTRICT OF COLUMBIA HOUSING FINANCE AGENCY
SCHEDULE OF CASH/CASH EQUIVALENTS, INVESTMENTS AND
MORTGAGE-BACKED SECURITIES BY FUND (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

Combined Revenue Obligation Funds and General Fund as of September 30, 2019

<u>Asset</u>	<u>Fair Value</u>	<u>Percentage of Total Investments</u>	<u>Credit Rating</u>	<u>Rating Agency</u>	<u>Underlying Securities Credit Rating / Supporting Collateral</u>
<u>Mortgage-Backed Securities</u>					
Ginnie Mae	8,318,718	3.3%	Aaa	Moody's	
Fannie Mae	6,728,720	2.7%	Aaa	Moody's	
Freddie Mac	5,955,651	2.4%	Aaa	Moody's	
Total Mortgage-Backed Securities	<u>21,003,089</u>	<u>8.4%</u>			
Combined General Fund and Revenue Obligation Funds Total Cash, Investments and Mortgage- Backed Securities	<u>\$ 253,270,519</u>	<u>100.0%</u>			

See Accompanying Independent Auditor's Report.

Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
District of Columbia Housing Finance Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the District of Columbia Housing Finance Agency (the "Agency"), a component unit of the Government of the District of Columbia, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated January 15, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Baltimore, Maryland
January 15, 2021